

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.
20006-2973
(202) 393-2266
FAX (202) 393-2156

RECORDATION NO. 20800-B FILED
DEC 24 '97 10-45AM

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

December 24, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three copies of a Memorandum of Lease Agreement (Equipment Schedule 03) dated as of December 16, 1997, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Equipment Lease Agreement which was duly filed with the Board under Recordation Number 20800.

The names and addresses of the parties to the enclosed document are:

Lessor: Key Corp Leasing *a division of Key Corporate Capital Inc*
~~54~~ State Street
Albany, NY 12207

Lessee: Sperry Rail, Inc.
6 Stamford Forum
Stamford, CT 06901

A description of the railroad equipment covered by the enclosed documents is set forth in Exhibit A attached thereto.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Counterparts - file.

RECEIVED
SURFACE TRANSPORTATION
BOARD
DEC 21 10 43 AM '97

Mr. Vernon A. Williams
December 24, 1997
Page 2

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bjg
Enclosures



RECORDATION NO. 20800-B FILED

DEC 24 '97

10-45AM

MEMORANDUM OF LEASE AGREEMENT

EQUIPMENT SCHEDULE 03

Dated as of December 16, 1997

between

KEYCORP LEASING,
A DIVISION OF KEY CORPORATE CAPITAL INC.,
Lessor

and

SPERRY RAIL, INC.
Lessee

Filed with the Registrar General of Canada pursuant to
the Canadian Transportation Act on _____, 19____, at _____:_____.M

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT dated as of December 16, 1997 is made by and between SPERRY RAIL, INC., a Delaware corporation ("Lessee"), and KEYCORP LEASING, A DIVISION OF KEY CORPORATE CAPITAL INC., a Delaware corporation ("Lessor").

WITNESSETH

1. Pursuant to a Master Equipment Lease Agreement, together with Schedule 03 of even date (collectively, the "Lease Agreement"), Lessor has agreed to lease to Lessee, and the Lessee has agreed to lease from Lessor 43 Induction and Hi-Rail Ultrasonic Inspection Cars bearing the railroad reporting markings set forth on Exhibit A attached hereto.

2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the Initial Term and any Renewal Terms as defined in the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lessor:

KEYCORP LEASING,
A DIVISION OF KEY CORPORATE CAPITAL INC.

By: Joan P. McGrath
Name:
Title: Joan P. McGrath
Vice President

Lessee:

SPERRY RAIL, INC.

By: Harold B. Findlay
Name: HAROLD B. FINDLAY
Title: CEO.

STATE OF NEW YORK)

) ss.:
COUNTY OF Albany)

On this 19th day of December 16, 1997, before me the subscriber personally appeared Joan P. McGrath, who being by me duly sworn, did depose and say: that (s)he resides at Albany, New York: that (s)he is a Vice President of KeyCorp Leasing, Key Corporate Capital Inc. the corporation described in and which executed the foregoing instrument and that (s)he signed ~~his~~/her name thereto by order of the Board of Directors of said corporation.

Theresa R. Arnold
NOTARY PUBLIC

Theresa R. Arnold
Notary Public, State of New York
No. 01AR4933924
Qualified in Schenectady County
Commission Expires July 31, 1999

My Commission Expires: July 31, 1999

STATE OF Connecticut)
COUNTY OF Fairfield) ss.:

On this 18th day of December 16, 1997, before me the subscriber personally appeared Harold B. Friday, who being by me duly sworn, did depose and say; that (s)he resides at Riverside CT; that (s)he is a CFO of SPERRY RAIL, INC. the corporation described in and which executed the foregoing instrument and that (s)he signed ~~his~~/her name thereto by order of the Board of Directors of said corporation.

Barbara M. Hicks
NOTARY PUBLIC

My Commission Expires:

BARBARA M. HICKS
NOTARY PUBLIC
MY COMMISSION EXPIRES MAR. 31, 2000

EXHIBIT A
TO MEMORANDUM OF LEASE AGREEMENT
DATED AS OF December 16, 1997

<u>QTY</u>	<u>EQUIPMENT DESCRIPTION</u>
43	<u>RAILBOUND DETECTOR - INSPECTION CARS INDUCTION & HI- RAIL ULTRASONIC</u>
<u>GROUP I</u>	<u>CAR NUMBER 118 INDUCTION - ULTRASONIC REBUILT 1976</u>
<u>GROUP I</u>	<u>CAR NUMBER 119 INDUCTION - ULTRASONIC REBUILT 1976</u>
<u>GROUP I</u>	<u>CAR NUMBER 123 INDUCTION - ULTRASONIC REBUILT 1979</u>
<u>GROUP I</u>	<u>CAR NUMBER 124 INDUCTION - ULTRASONIC REBUILT 1974</u>
<u>GROUP I</u>	<u>CAR NUMBER 125 INDUCTION - ULTRASONIC REBUILT 1978</u>
<u>GROUP I</u>	<u>CAR NUMBER 126 INDUCTION - ULTRASONIC REBUILT 1972</u>
<u>GROUP I</u>	<u>CAR NUMBER 127 INDUCTION - ULTRASONIC REBUILT 1980</u>
<u>GROUP I</u>	<u>CAR NUMBER 128 INDUCTION - ULTRASONIC REBUILT 1981</u>
<u>GROUP I</u>	<u>CAR NUMBER 129 INDUCTION - ULTRASONIC REBUILT 1973</u>
<u>GROUP I</u>	<u>CAR NUMBER 130 INDUCTION - ULTRASONIC REBUILT 1976</u>
<u>GROUP I</u>	<u>CAR NUMBER 131 INDUCTION - ULTRASONIC REBUILT 1972</u>
<u>GROUP I</u>	<u>CAR NUMBER 132 INDUCTION - ULTRASONIC REBUILT 1975</u>
<u>GROUP I</u>	<u>CAR NUMBER 134 INDUCTION - ULTRASONIC REBUILT 1978</u>
<u>GROUP I</u>	<u>CAR NUMBER 135 INDUCTION - ULTRASONIC REBUILT 1977</u>
<u>GROUP I</u>	<u>CAR NUMBER 136 INDUCTION - ULTRASONIC REBUILT 1978</u>
<u>GROUP II</u>	<u>CAR NUMBER 137 INDUCTION - ULTRASONIC BUILT 1970</u>
<u>GROUP II</u>	<u>CAR NUMBER 138 INDUCTION - ULTRASONIC BUILT 1971</u>
<u>GROUP II</u>	<u>CAR NUMBER 139 INDUCTION - ULTRASONIC BUILT 1972</u>
<u>GROUP II</u>	<u>CAR NUMBER 141 INDUCTION - ULTRASONIC BUILT 1973</u>
<u>GROUP II</u>	<u>CAR NUMBER 142 INDUCTION - ULTRASONIC BUILT 1974</u>
<u>GROUP II</u>	<u>CAR NUMBER 143 INDUCTION - ULTRASONIC BUILT 1974</u>
<u>GROUP II</u>	<u>CAR NUMBER 144 INDUCTION - ULTRASONIC BUILT 1975</u>
<u>GROUP II</u>	<u>CAR NUMBER 145 INDUCTION - ULTRASONIC BUILT 1975</u>
<u>GROUP II</u>	<u>CAR NUMBER 146 INDUCTION - ULTRASONIC BUILT 1975</u>
<u>GROUP II</u>	<u>CAR NUMBER 147 INDUCTION - ULTRASONIC BUILT 1975</u>
<u>GROUP II</u>	<u>CAR NUMBER 149 INDUCTION - ULTRASONIC BUILT 1986</u>
<u>GROUP III</u>	<u>CAR NUMBER 403 ULTRASONIC BUILT 1986</u>
<u>GROUP IV</u>	<u>CAR NUMBER 701 HI - RAIL - ULTRASONIC BUILT 1982</u>
<u>GROUP IV</u>	<u>CAR NUMBER 803 HI - RAIL - ULTRASONIC BUILT 1989</u>
<u>GROUP IV</u>	<u>CAR NUMBER 804 HI - RAIL - ULTRASONIC BUILT 1990</u>
<u>GROUP IV</u>	<u>CAR NUMBER 805 HI - RAIL - ULTRASONIC BUILT 1990</u>
<u>GROUP IV</u>	<u>CAR NUMBER 806 HI - RAIL - ULTRASONIC BUILT 1992</u>
<u>GROUP IV</u>	<u>CAR NUMBER 807 HI - RAIL - ULTRASONIC BUILT 1992</u>
<u>GROUP IV</u>	<u>CAR NUMBER 808 HI - RAIL - ULTRASONIC BUILT 1993</u>
<u>GROUP IV</u>	<u>CAR NUMBER 809 HI - RAIL - ULTRASONIC BUILT 1993</u>
<u>GROUP IV</u>	<u>CAR NUMBER 810 HI - RAIL - ULTRASONIC BUILT 1993</u>
<u>GROUP IV</u>	<u>CAR NUMBER 811 HI - RAIL - ULTRASONIC BUILT 1995</u>
<u>GROUP IV</u>	<u>CAR NUMBER 812 HI - RAIL - ULTRASONIC BUILT 1995</u>
<u>GROUP IV</u>	<u>CAR NUMBER 813 HI - RAIL - ULTRASONIC BUILT 1995</u>
<u>GROUP IV</u>	<u>CAR NUMBER 814 HI - RAIL - ULTRASONIC BUILT 1996</u>
<u>GROUP IV</u>	<u>CAR NUMBER 815 HI - RAIL - ULTRASONIC BUILT 1996</u>
<u>GROUP IV</u>	<u>CAR NUMBER 816 HI - RAIL - ULTRASONIC BUILT 1996</u>
<u>GROUP IV</u>	<u>CAR NUMBER 817 HI - RAIL - ULTRASONIC BUILT 1996</u>