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SEP 9 '97 11-38 AM

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908-563-2700

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WASHINGTON, D.C. 20006-4103
202-296-8600

WRITER'S DIRECT LINE
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SUSAN G. LICHTENFELD

September 5, 1997

VIA OVERNIGHT COURIER

Mr. Vernon A. Williams
Secretary
Office of the Secretary
The Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Janice Fort, Room 2311

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 11303(a) are three original executed copies and one photostatic copy of a Memorandum of Lease Agreement, dated as of July 21, 1997, between JAIX Leasing Compay ("JAIX") and Norfolk Southern Corporation ("NS"), a primary document as defined in the Commissioner's Rules for the Recordation of Documents. The Memorandum of Lease is with respect to that certain Railcar Equipment Lease (the "Lease"), dated as of July 21, 1997, and Rider 1 thereto ("Rider 1"), dated July 21, 1997, between JAIX, as Lessor, and NS, as Lessee.

The names and addresses of the parties to the enclosed Memorandum of Lease Agreement are:

Lessor: JAIX Leasing Company
980 North Michigan Avenue
Chicago, Illinois 60611

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PAY TO THE ORDER OF
ANY FPD OR BANK OF
RECEIVED
SURFACE TRANSPORTATION BOARD CORPORATION

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Lessee: Norfolk Southern Corporation
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0072

A description of the railroad equipment covered by the enclosed document is set forth in the Memorandum of Lease Agreement.

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.

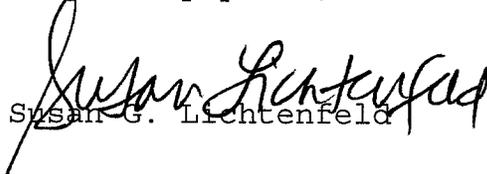
Kindly return two stamped original copies, the stamped photostatic copy of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 3100, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Lease Agreement, dated as of July 21, 1997 between JAIX Leasing Company, as Lessor, and Norfolk Southern Corporation, as Lessee, with respect to that certain Railcar Equipment Lease covering 200 rebodied steel 5180 c.f. triple open top hopper cars.

Very truly yours,


Susan G. Lichtenfeld

SGL/vgc
w/encl.
cc: Robert W. Kleinman

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MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement is made and entered into as of July 21, 1997, by and between JAIX Leasing Company, (hereinafter referred to as "Lessor") and Norfolk Southern Corporation (hereinafter referred to as "Lessee"), respecting that certain Railcar Equipment Lease, dated as of July 21, 1997 (the "Lease"), and Rider 1 thereto, dated as of July 21, 1997 ("Rider 1"), between Lessor and Lessee.

Pursuant to the provisions of the Lease and Rider 1, Lessor and Lessee hereby acknowledge and affirm that:

1. For good and valuable consideration, Lessor is leasing to Lessee and Lessee is leasing from Lessor 200 rebodied steel 5180 c.f. triple open top hopper cars marked NS 300100 - NS 300199, inclusive (the "Railcars").

2. The term of the Lease for any Railcar under Rider 1 shall commence on July 21, 1997 and shall terminate on the date which is three years from the last day of the calendar month in which the final car leased under the Lease and Rider 1 is delivered to and accepted by Lessee, provided that the Lease may be sooner terminated as provided therein.

3. Lessor and Lessee further acknowledge and affirm that this Memorandum of Lease Agreement is not a summary of either the Lease or Rider 1 nor a complete recitation of the terms and provisions thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between this Memorandum of Lease Agreement and the provisions of the Lease or Rider 1, the provisions of the Lease or Rider 1, as the case may be, shall control.

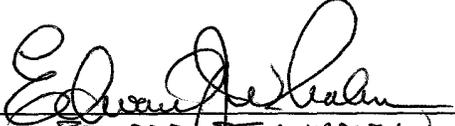
IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Lease Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

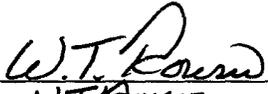
LESSOR:

LESSEE:

JAIX LEASING COMPANY

NORFOLK SOUTHERN CORPORATION

By: 
Name: EDWARD J. WINKLER
Title: PRESIDENT

By: 
Name: W.T. ROUSIS
Title: MGR. PURCHASING-CAR

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

On this 27th day of August, 1997 before me personally appeared Edward G. Whalen, to me personally known, who being duly sworn, says that he is a President of JAIX LEASING COMPANY, a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Cynthia D. Martin
Notary Public

[NOTARIAL SEAL]

My Commission Expires:



COMMONWEALTH OF VIRGINIA)
)
COUNTY OF ROANOKE) SS:

On this 25th day of August, 1997, before me personally appeared WILLIAM T. ROUSIS, to me personally known, who being by me duly sworn, says that he is a MANAGER PURCHASING of NORFOLK SOUTHERN CORPORATION, a Virginia corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jane J. Shoemaker
Notary Public

[NOTARIAL SEAL]

My Commission expires:
My Commission Expires July 31, 2000