First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575

VIA FEDERAL EXPRESS

March 2, 1999

RECORDATION NO. 22054 FILED

MAR 3 '99 9-00 AM

RECEIVED MAR 3 1999 MAIL MANAGEMENT STB

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W., Room 704
Washington, DC 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated September 18, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Illinois Central Railroad Company
455 North Cityfront Plaza Dr.
Chicago, IL 60601-5504

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of $26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase

Tiffany Chase
Manager – Documentation

Enclosures

(IC012)

IC012

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EXHIBIT A
to
RIDER NO. 2

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 18th day of September, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Illinois Central Railroad Company ("Lessee").

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of September 18, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of September 18, 1997 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 3rd day of February 1999.

ATTEST:

By: K. A. Domborowski
Name: K. A. DOMBROWSKI
Title: MANAGER - DOCUMENTATION

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, Susan Grokulsky, a Notary Public of the County and State aforesaid, certify that Richard F. Seymour personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3rd day of February, 1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)

OFFICIAL SEAL
SUSAN GROKULSKY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8-14-2000

LESSEE:

ILLINOIS CENTRAL RAILROAD COMPANY

ATTEST:

By: GORDON T. TRAFTON
Name:
Title: VP TRANSPORTATION

By:_____
Name:_____
Title:_____

Executed on this ___ day of _____, 199__.

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this _____ day of _____, 19___.

_____
Notary Public

My Commission Expires:

_____
(Notary Public)

EXHIBIT A
TO
MEMORANDUM OF LEASE

DESCRIPTION OF CARS: One Hundred Seventy-Five (175) 5150 cu.ft. Covered Hopper Cars

Car Numbers:

IC	799000	IC	799036	IC	799072	IC	799108	IC	799144
IC	799001	IC	799037	IC	799073	IC	799109	IC	799145
IC	799002	IC	799038	IC	799074	IC	799110	IC	799146
IC	799003	IC	799039	IC	799075	IC	799111	IC	799147
IC	799004	IC	799040	IC	799076	IC	799112	IC	799148
IC	799005	IC	799041	IC	799077	IC	799113	IC	799149
IC	799006	IC	799042	IC	799078	IC	799114	IC	799150
IC	799007	IC	799043	IC	799079	IC	799115	IC	799151
IC	799008	IC	799044	IC	799080	IC	799116	IC	799152
IC	799009	IC	799045	IC	799081	IC	799117	IC	799153
IC	799010	IC	799046	IC	799082	IC	799118	IC	799154
IC	799011	IC	799047	IC	799083	IC	799119	IC	799155
IC	799012	IC	799048	IC	799084	IC	799120	IC	799156
IC	799013	IC	799049	IC	799085	IC	799121	IC	799157
IC	799014	IC	799050	IC	799086	IC	799122	IC	799158
IC	799015	IC	799051	IC	799087	IC	799123	IC	799159
IC	799016	IC	799052	IC	799088	IC	799124	IC	799160
IC	799017	IC	799053	IC	799089	IC	799125	IC	799161
IC	799018	IC	799054	IC	799090	IC	799126	IC	799162
IC	799019	IC	799055	IC	799091	IC	799127	IC	799163
IC	799020	IC	799056	IC	799092	IC	799128	IC	799164
IC	799021	IC	799057	IC	799093	IC	799129	IC	799165
IC	799022	IC	799058	IC	799094	IC	799130	IC	799166
IC	799023	IC	799059	IC	799095	IC	799131	IC	799167
IC	799024	IC	799060	IC	799096	IC	799132	IC	799168
IC	799025	IC	799061	IC	799097	IC	799133	IC	799169
IC	799026	IC	799062	IC	799098	IC	799134	IC	799170
IC	799027	IC	799063	IC	799099	IC	799135	IC	799171
IC	799028	IC	799064	IC	799100	IC	799136	IC	799172
IC	799029	IC	799065	IC	799101	IC	799137	IC	799173
IC	799030	IC	799066	IC	799102	IC	799138	IC	799174
IC	799031	IC	799067	IC	799103	IC	799139		
IC	799032	IC	799068	IC	799104	IC	799140	**Count:**	**175**
IC	799033	IC	799069	IC	799105	IC	799141		
IC	799034	IC	799070	IC	799106	IC	799142		
IC	799035	IC	799071	IC	799107	IC	799143		