

First Union Rail Corporation

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

VIA FEDERAL EXPRESS



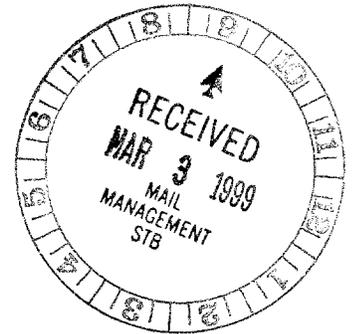
March 2, 1999

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

RECORDATION NO. 22056 FILED

MAR 3 '99

9-00 AM



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 February 16, 1999 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: Pioneer Chlor-Alkali Company
700 Louisiana St. 4200 NCNB
Houston, TX 77002

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
Manager - Documentation

Enclosures

(PCAC006,007)

ASSIGN.: PCAC006/PCAC007

RECORDATION NO. 22056 FILED

MEMORANDUM OF LEASE

MAR 3 '99

9-00AM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 16th day of February, 1999, by and among ATEL Leasing Corporation, a California corporation, as Lessor ("Lessor") and owner of the railcars described in more particular on Exhibit A attached hereto (the "Railcars"), First Union Rail Corporation, a North Carolina corporation, as Manager, acting in its capacity as independent contractor ("Manager"), and Pioneer Chlor Alkali Company, a Delaware corporation, as Lessee ("Lessee").

WITNESSETH:

The Manager has assigned that certain Lease Agreement dated as of March 1, 1997, pursuant to that certain Assignment and Assumption Agreement dated as of December 30, 1997, between Lessor and Manager, whereby Lessor will lease certain railcars to Lessee pursuant to Riders No. 3 and 4, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

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, AS
MANAGER FOR
ATEL LEASING CORPORATION
FIRST UNION RAIL CORPORATION AS OWNER
OF CAR NO. RUSX 000017

ATTEST:

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

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

Executed on this 16th day of February, 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

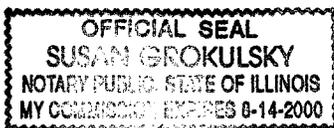
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16th day of February, 1998.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)



LESSEE:

PIONEER CHLOR ALKALI COMPANY

ATTEST:

By: Robert A. Evans
 Name: Robert A. Evans
 Title: Director of Transportation Pricing

By: _____
 Name: _____
 Title: _____

Executed on this ____ day of _____, 1998.

[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 _____,
 1998.

 Notary Public

My Commission Expires:

 (Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Three (3)

DESCRIPTION OF CARS: 20,000 Gallon Tank Cars

CAR NUMBERS: TGOX 2965 and RUSX011002 (ATEL owned)

RUSX000017 (First Union Rail Corporation owned)