

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

RECORDATION NO. 21184 FILED

JAN 27 '98

11-44AM



January 26, 1998

VIA FEDERAL EXPRESS

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W.
Room 704
Washington, D.C. 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 1, 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: Houston Lighting & Power Company
1111 Louisiana
Houston, TX 77251-1700

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 \$24.00 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.

Very truly yours,

A handwritten signature in cursive script that reads "Kathy Dombrowski".

Kathy Dombrowski
Manager-Documentation

Enclosures
(HOPO004)

JAN 27 '98

11-44AM

ASSIGN: HOPO004

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 1ST day of September, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Houston Lighting & Power Company ("Lessee"), a Texas corporation.

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of September 1, 1997, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, 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

ATTEST:

By: *Jack Thomas*

Name: JACK THOMAS
President

Title: _____

By: *Michelle Berg*

Name: Michelle Berg

Title: Office Manager

Executed on this 27th day of January, 1998.

[CORPORATE SEAL]

STATE OF Illinois

COUNTY OF Cook

I, Michelle Berg, a Notary Public in and for said state and county, certify that John J. Thomas 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 2nd day of January, 1998.

Michelle Berg
Notary Public

My Commission Expires:



LESSEE:

HOUSTON LIGHTING & POWER COMPANY

ATTEST:

By: Carla J Mitcham

Name: Carla J. Mitcham

By: _____

Title: General Manager, Fuels

Name: _____

Title: _____

Executed on this ___ day of _____, 1997.

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public in and for said state and county, certify that _____ personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this _____ day of _____, 1997.

Notary Public

My Commission Expires:

(Notary Public)

EXHIBIT A
to
Memorandum of Lease

Ninety-four (94) Rotary Gondolas

GROX	501	GROX	537	GROX	571
GROX	502	GROX	538	GROX	572
GROX	503	GROX	539	GROX	573
GROX	504	GROX	541	GROX	574
GROX	505	GROX	542	GROX	575
GROX	506	GROX	543	GROX	576
GROX	507	GROX	544	GROX	577
GROX	508	GROX	545	GROX	578
GROX	510	GROX	546	GROX	579
GROX	511	GROX	547	GROX	581
GROX	512	GROX	548	GROX	582
GROX	513	GROX	549	GROX	583
GROX	515	GROX	550	GROX	584
GROX	516	GROX	551	GROX	585
GROX	517	GROX	552	GROX	587
GROX	518	GROX	553	GROX	588
GROX	519	GROX	555	GROX	589
GROX	520	GROX	556	GROX	591
GROX	521	GROX	557	GROX	592
GROX	522	GROX	558	GROX	593
GROX	523	GROX	559	GROX	594
GROX	524	GROX	560	GROX	595
GROX	525	GROX	561	GROX	596
GROX	526	GROX	562	GROX	598
GROX	527	GROX	563	GROX	600
GROX	528	GROX	564	GROX	601
GROX	530	GROX	566	GROX	602
GROX	531	GROX	567	GROX	603
GROX	532	GROX	568	GROX	604
GROX	534	GROX	569	GROX	605
GROX	535	GROX	570	GROX	606
GROX	536				