

JAN 30 '98

4-05 PM

LAW OFFICES
MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

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10 LIGHT STREET
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TOWSON, MD
WASHINGTON, D.C.

January 29, 1998

JOHN A. STALFORT
410-385-3424

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

Re: Our File No.: 258-1808

Dear Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Memorandum of Railroad Equipment Lease dated as of January 29, 1998 by and between Southern Rail Leasing, Inc. (955 South Virginia Street, Reno, Nevada 89502), Consolidated Rail Corporation (2001 Market Street, Philadelphia, Pennsylvania 19103) and SRL Partners #3 (955 South Virginia Street, Reno, Nevada 89502).

Also enclosed is a check in the amount of \$24.00 to cover the costs of recordation.

Once this document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. Please call me at (800) 344-2532 if you have any questions.

Sincerely,



Michele E. Sperato
Assistant to John A. Stalfort

Enclosure

STATE OF MARYLAND
SS:
CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Memorandum of Railroad Equipment Lease is a true and complete copy of such Memorandum of Railroad Equipment Lease.

WITNESS my hand and seal this 29th day of January, 1998.

Michelle E. Sperato
Notary Public

My Commission Expires: January 28, 2001

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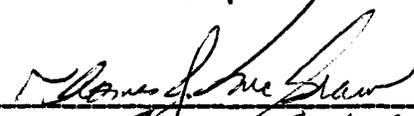
MEMORANDUM OF RAILROAD EQUIPMENT LEASE

This Memorandum of Railroad Equipment Lease is made and entered into as of January 29, 1998 by and between Southern Rail Leasing, Inc., a Nevada Corporation ("Lessor") and Consolidated Rail Corporation, a Pennsylvania Corporation ("Lessee"), and SRL Partners #3, a Nevada General Partnership, ("Assignee") with reference to the following:

1. Lessor has agreed to Lease to Lessee, and Lessee has agreed to lease from Lessor the railcars described in Exhibit A attached hereto and made a part hereof pursuant to a Railroad Equipment Lease dated as of June 30, 1997 (the "Lease"), between Lessor and Lessee.
2. On or about September 28, 1997, Lessor assigned its rights under the Lease to SRL Partners #3, a Nevada Partnership.
2. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as set forth therein.

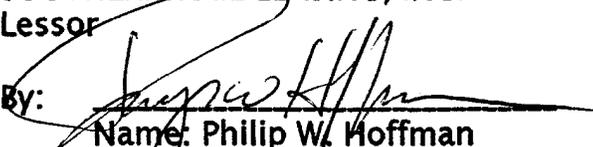
In Witness Whereof, the parties thereto have executed or caused this Memorandum of Railroad Car Lease to be executed as of the date first written above.

Consolidated Rail Corporation
Lessee

By: 

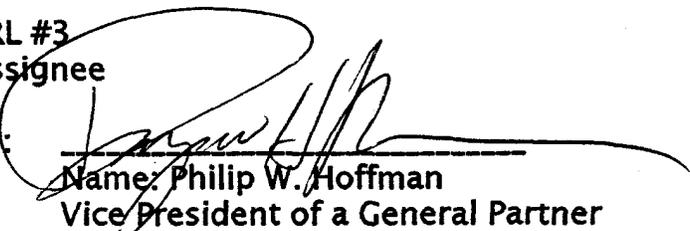
Name: Thomas J. McGraw
Title: ASST. TREASURER

SOUTHERN RAIL LEASING, INC.
Lessor

By: 

Name: Philip W. Hoffman
Vice President

SRL #3
Assignee

By: 

Name: Philip W. Hoffman
Vice President of a General Partner

[NOTARY ACKNOWLEDGEMENTS ATTACHED ON SUBSEQUENT PAGES(2)]

COMMONWEALTH OF PENNSYLVANIA :

: SS

COUNTY OF PHILADELPHIA :

On this 28th day of JANUARY, 1998, before me personally appeared Thomas J. McIsraw, to me personally known, who, being by me duly sworn, acknowledged before me that he is a(n) ASSISTANT TREASURER of CONSOLIDATED RAIL CORPORATION and that said instrument was signed on behalf of said corporation by authority of the Board of Directors. Further he acknowledged before me that the execution of the foregoing instrument was the free act and deed of said corporation.


NOTARY PUBLIC

My commission expires:

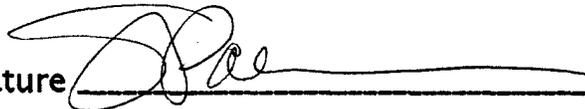
NOTARIAL SEAL
Suzanne J. Rossomando, Notary Public
City of Philadelphia, Phila. County
My Commission Expires June 28, 1999

State of California }
County of San Diego }

On 1-26-98, 1998, before me Susan D. Parker,
personally appeared Philip W. Hoffman, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person whose name
is subscribed to the the within instrument and acknowledged to me that
he executed the same in his authorized capacity, and that by his signature
on the instrument, the person, or the entity upon behalf of which the
person acted, executed the instrument.

WITNESS my hand and official seal.



Signature  (Seal)

DESCRIPTION OF RAILCARS

Gondola Railroad Cars numbered:

| | |
|-----------|-----------|
| CR 586104 | CR 586123 |
| CR 586105 | CR 586124 |
| CR 586106 | CR 586125 |
| CR 586107 | CR 586126 |
| CR 586108 | CR 586127 |
| CR 586109 | CR 586128 |
| CR 586110 | CR 586129 |
| CR 586111 | CR 586130 |
| CR 586112 | CR 586131 |
| CR 586113 | CR 586132 |
| CR 586114 | CR 586133 |
| CR 586115 | CR 586134 |
| CR 586116 | CR 586135 |
| CR 586117 | CR 586136 |
| CR 586118 | CR 586137 |
| CR 586119 | CR 586138 |
| CR 586120 | CR 586139 |
| CR 586121 | CR 586140 |
| CR 586122 | CR 586141 |