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

VIA FEDERAL EXPRESS

FIRST UNION®

July 7, 1998

RECORDATION NO. 21497 FILED
JUL 8 '98 1-27 PM

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 three (3) originals and two (2) copies of a Memorandum of Lease Agreement, dated February 24, 1998, 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 Centre 6250 River Road, Suite 5000 Rosemont, IL 60018	Lessee:	Union Pacific Railroad Company 1416 Dodge Street Omaha, NE 68179

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 (2) stamped originals 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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

Susan Grokulsky

Susan Grokulsky
Manager – Documents Administration

Enclosures

(UP043)

RECORDATION NO. 21497 FILED
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1-27 PM

ASSIGN: UP043

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of the 24th day of February, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Union Pacific Railroad Company ("Lessee").

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Equipment Option and Amendment Agreement, dated as of February 24th, 1998, 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 Agreement.

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: J. J. Thomas

Name: JACK THOMAS

Title: President

ATTEST:

By: Michelle Berg

Name: Michelle Berg

Title: Office Manager

[CORPORATE SEAL]

Executed on this 12 day of June, 1998.

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 12 day of June, 1998.

Michelle Berg
Notary Public

My Commission Expires:

OFFICIAL SEAL
(Notary Public)
MICHELLE BERG
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/18/98

LESSEE:

UNION PACIFIC RAILROAD COMPANY

ATTEST:

By: David L. Beighley

Name: DAVID L. BEIGHLEY

Title: MANAGER-LEASES

By: C.W. Saylors

Name: C.W. Saylors

Title: Asst. Secretary

Executed on this 5 day of JUNE, 1998.

[CORPORATE SEAL]

STATE OF Nebraska

COUNTY OF Douglas

I, Sharon L. Steward, a Notary Public in and for said state and county, certify that David L. Beighley 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 5th day of June, 1998.

Sharon L. Steward
Notary Public

My Commission Expires:

GENERAL NOTARY-State of Nebraska
SHARON L. STEWARD
My Comm. Exp. Feb. 25, 2002

(Notary Public)

EXHIBIT A
to
Memorandum of Lease

Description	Number of Units	Mark
Bi Level Auto Racks	118	UPKL
		90026-90052
		90054-90141
		90143-90145