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A T T O R N E Y S

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RECORDATION NO. 20254 FILED 1425

SEP 9 1996 -1 50 PM

WASHINGTON, D.C. 20005

September 9, 1996

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of September 9, 1996. We request that this document be recorded under the next available recordation number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

Signet Leasing and Financial Corporation
7 St. Paul Street
Baltimore, MD 21202

Lessee:

Southern Pacific Transportation Company
One Market Plaza
San Francisco, CA 94105

A description of the equipment covered by the Memorandum of Lease Agreement consists of 149 100-ton box cars numbered SP 286001-286149, inclusive.

Counterparts - [Signature]

SEP 9 1 49 PM '96
RECEIVED
SURFACE TRANSPORTATION
BOARD

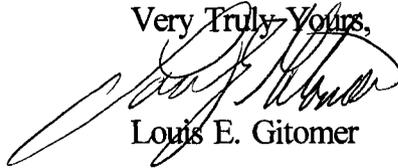
Honorable Vernon A. Williams
September 9, 1996
Page 2

A fee of \$21.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between Signet Leasing and Financial Corporation, 7 St. Paul Street, Baltimore, MD 21202, and Southern Pacific Transportation Company, One Market Plaza, San Francisco, CA 94105, covering 149 100-ton box cars numbered SP 286001-286149, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name below.

Louis E. Gitomer

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

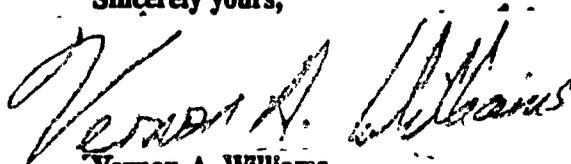
9/9/96

Louis E. Gitomer
Of Counsel
Ball Janik LLP
1455 F Street, NW., Ste. 225
Washington, DC., 20005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/9/96 at 1:50PM, 1:55PM, and 2:00PM assigned recordation number(s). 20254, 20255, 20256, 18688-H, 18689-H, 18690-H, 18691-H, 18692-H and 18693-H.

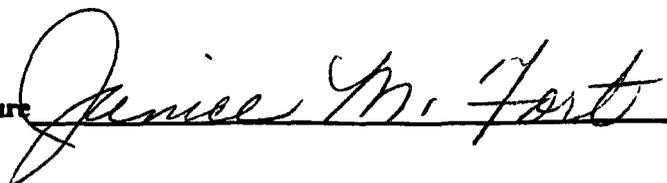
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 189.00 . The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



EXECUTION COPY

MEMORANDUM OF LEASE AGREEMENT

dated as of September 9, 1996

20254
SEP 11 1996 PM
U.S. DEPARTMENT OF TRANSPORTATION

between

SOUTHERN PACIFIC TRANSPORTATION COMPANY
as Lessee,

and

SIGNET LEASING AND FINANCIAL CORPORATION
as Lessor

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on September __, 1996 at __: __ .m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of September 2, 1996, by and between SIGNET LEASING AND FINANCIAL CORPORATION, a Maryland corporation ("Lessor"), and SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation ("Lessee"), with reference to the following:

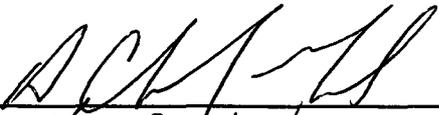
1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, 149 Gunderson 100-ton high roof boxcars bearing reporting marks and running numbers SP286001 through SF286149, inclusive, described in that certain Lease Agreement, dated as of September 2, 1996, and Lease Supplement No. 1 thereto and incorporating the terms thereof, dated as of September 2, 1996 (collectively, the "Lease"), between Lessor and Lessee.
2. The Lease shall be effective as of the Closing Date (as defined in the Lease) and shall be subject to the Basic Term and any Renewal Term, if applicable (as each such capitalized term is defined in the Lease).
3. This Memorandum of Lease Agreement hereby refers to all of the terms of the Lease, and incorporates such terms by reference as if fully set forth herein.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

SIGNET LEASING AND FINANCIAL CORPORATION

By: 
Title: Vice President

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By: _____
Title: _____

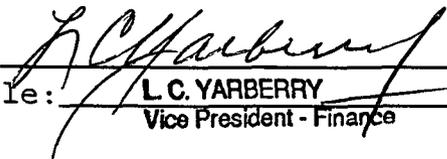
[EXECUTION PAGE]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

SIGNET LEASING AND FINANCIAL CORPORATION

By: _____
Title: _____

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By:  _____
Title: L. C. YARBERRY
Vice President - Finance

[EXECUTION PAGE]

STATE OF MARYLAND)
) ss.
 CITY OF BALTIMORE)

On September 5, 1996 before me, Theresa M. Dowley, Notary Public, personally appeared H. Clifton Gottwals, Jr., personally known to me to be the person whose name is subscribed to 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.

Theresa M. Dowley

 NOTARY PUBLIC

My commission expires: 9/21/99



[NOTARY PAGE]

State of California)
)
County of San Francisco)

On September 9, 1996, before me, Lenona Rusconi, Notary Public, personally appeared L
C Yarberry, personally known to me to be the person whose name is subscribed to 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

Lenona Rusconi

