

**First Union
Commercial Corporation**

Post Office Box 13327 VA7467
Roanoke, Virginia 24040-0001

September 13, 1996

Secretary
Surface Transportation Board
Washington, D.C. 20423-0001

29394
RECORDED - FILED 1405

OCT 15 1996 11 22 AM

OCT 15 10 55 AM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD



Re: Memorandum of Lease Agreement

Dear Secretary:

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 12, 1996, 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 Commercial Corporation
213 S. Jefferson Street, 4th Floor
Roanoke, Virginia 24011

Attn: Sharon B. Bateman VA-7467

Lessee: South Central Tennessee Railroad Corporation
Watson Siding
Centerville, TN. 37033

A description of the railroad equipment covered by the enclosed document is set forth on Schedule I attached hereto.

Also enclosed is a check in the amount of \$21.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped original of the enclosed document to the undersigned.

Very Truly Yours,

FIRST UNION COMMERCIAL CORPORATION

Betty S Edwards
Betty S. Edwards
Vice President

Enclosures

SCHEDULE I

DESCRIPTION OF EQUIPMENT

1. NUMBER OF CARS: (1)
2. DESCRIPTION OF CARS: GP-38 LOCOMOTIVE
3. CAR NUMBERS AND MARKS: 35447

RE: First Union Commercial Corporation

The (3) enclosed documents are being returned:

The filing fee is \$22.00 per document ; effective
September 16, 1996.

A phone number should be listed for contact purpose.

Janice Fort

(202-927-5698 or
X-5690)

*If any other problems,
please contact Cathy St. Clair at
(540) 563-6682. Thanks.*

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

10/15/96¹

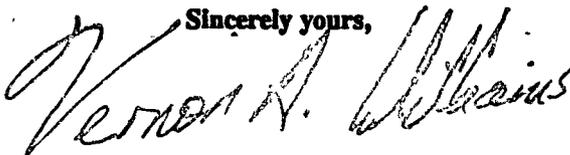
Betty S. Edwards
Vice President
First Union Commercial Corporation
Post Office Box 13327 VA7467
Roanoke, Virginia 24040-0001

Dear

Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/15/96 at 11:00AM, and assigned recordation number(s). 20304, 20305 and 20306.

Sincerely yours,

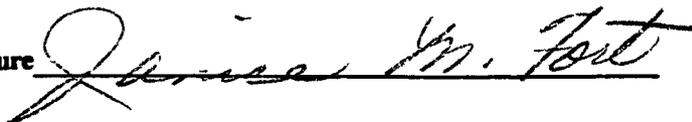


Vernon A. Williams
Secretary

Enclosure(s)

\$ 66.00 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



20304
OCT 15 1996 11 02 AM

EXHIBIT A

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT dated as of September 12, 1996, is between FIRST UNION COMMERCIAL CORPORATION, a North Carolina corporation ("Lessor") and SOUTH CENTRAL TENNESSEE RAILROAD CORPORATION, a Delaware corporation ("Lessee").

WHEREAS, the Lessor and the Lessee are entering into the certain Master Equipment Lease Agreement dated September 12, 1996 (the "Lease") and places under lease that certain equipment set forth on Schedule I dated September 12, 1996, attached hereto, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor;

IN WITNESS WHEREOF, the parties wish to show for the public record the aforesaid Lease, and accordingly have caused this Memorandum of Lease Agreement to be executed by their officers thereunto duly authorized, as of the date first above written. This memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

FIRST UNION COMMERCIAL CORPORATION

By Betty S Edwards
Name Betty S. Edwards
Title Vice President

SOUTH CENTRAL TENNESSEE RAILROAD CORPORATION

By [Signature]
Name JOHN H. MAXWELL
Title PRESIDENT

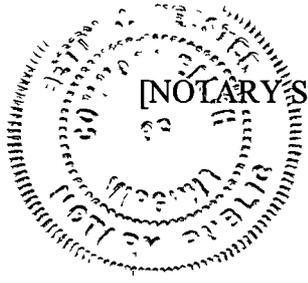
STATE OF Virginia
City
COUNTY OF Roanoke

I, Betty J. Webster a Notary Public in and for said state and county, do hereby certify that Betty S. Edwards personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

Witness my hand and official seal this 16th day of Sept, 1996.

Betty J. Webster
Notary Public

My commission expires: 31 October 1996



STATE OF VIRGINIA
COUNTY OF FAIRFAX

I, ANNE PARK a Notary Public in and for said state and county, do hereby certify that JOHN H. MARLOW personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

Witness my hand and official seal this 12 day of Sept, 1996.

Anne Park
Notary Public

My commission expires: 30 Nov 96

[NOTARY SEAL]

SCHEDULE I

DESCRIPTION OF EQUIPMENT

1. NUMBER OF CARS: (1)
2. DESCRIPTION OF CARS: GP-38 LOCOMOTIVE
3. CAR NUMBERS AND MARKS: 35447