

RECORDATION NO. 21974 FILED

LAW OFFICES

ROSS & HARDIES

JAN 19 '99

9-15

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567
312-558-1000

TELECOPIER
312-750-8600

PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022-3219
212-421-5555

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08873
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WRITER'S DIRECT LINE
(312) 750-8935

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

January 15, 1998 1999

VIA OVERNIGHT COURIER

Mr. Vernon A. Williams
Secretary
Office of the Secretary
The Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Attention: Janice Fort, Room 704

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two original executed copies and two photostatic copies of a Memorandum of Lease Agreement, dated as of December 1, 1998 (the "Memorandum of Lease"), between JAIX Leasing Company ("Lessor") and Northern Indiana Public Service Company ("Lessee"), which Memorandum of Lease is a primary document as defined in the Commission's Rules for the Recordation of Documents. The Memorandum of Lease relates to that certain Railcar Equipment Lease, dated as of December 1, 1998 (the "Lease") and Rider 1 to the Lease, dated as of December 1, 1998, between Lessor and Lessee.

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

Lessor:	JAIX Leasing Company 980 North Michigan Avenue Suite 1000 Chicago, Illinois 60611
Lessee:	Northern Indiana Public Service Company 5265 Hohman Avenue Hammond, Indiana 46320

A description of the railroad equipment covered by the enclosed document is set forth in the Memorandum of Lease.

Mr. Vernon A. Williams
January 15, 1998
Page 2

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 stamped original copy, the two stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Joseph A. McQuade at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Primary Document to be Recorded

Memorandum of Lease Agreement, dated as of December 1, 1998 between JAIX Leasing Company, as Lessor, and Northern Indiana Public Service Company, as Lessee, covering 360 aluminum BethGon coalporter railcars.

Very truly yours,



Joseph A. McQuade

JAM:mts
Enclosures

cc: Robert W. Kleinman
Susan G. Lichtenfeld

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

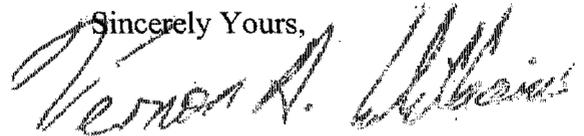
OFFICE OF THE SECRETARY

Joseph A. McQuade
Ross & Hardies
150 North Michigan Avenue
Chicago, Illinois 60601-7567

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 1/19/99 at 9:15AM, and
assigned recordation numbers (s): 21974.

Sincerely Yours,



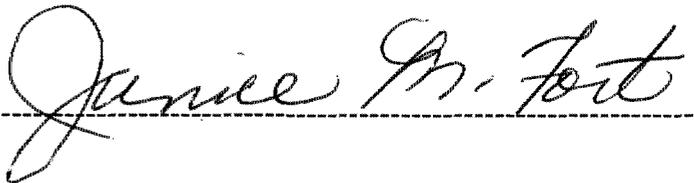
Vernon A. Williams

Enclosure(s)

26.00

\$_____ 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. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



JAN 10 '99

9-15 AM

MEMORANDUM OF RAILCAR EQUIPMENT LEASE

THIS MEMORANDUM OF RAILCAR EQUIPMENT LEASE dated as of this 1st day of December, 1998, is made by Northern Indiana Public Service Company, an Indiana corporation, with an address at 5265 Hohman Avenue, Hammond, Indiana 46320 (the "Lessee"), and JAIX Leasing Company, a Delaware corporation, with an address at 980 North Michigan Avenue, Suite 1000, Chicago, Illinois 60611 (the "Lessor" and, together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Railcar Equipment Lease (the "Lease") dated as of the date hereof covering the equipment listed on Schedule 1 hereto (the "Equipment");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum to be executed by a duly authorized officer as of the day and year first above written.

NORTHERN INDIANA PUBLIC SERVICE COMPANY

By: [Signature]
Name: Jerry L. Godwin
Title: Vice President/General Manager,
Electric Supply

JAIX LEASING COMPANY

By: [Signature]
Name: EDWARD J. WILSON
Title: PRESIDENT

STATE OF INDIANA)
) SS:
COUNTY OF Lake)

On this 6th day of ~~December, 1998~~ January, 1999 before me personally appears Jerry Godwin, to me personally known, who by me duly sworn, says that he/she is the Vice-President of NORTHERN INDIANA PUBLIC SERVICE COMPANY (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Beth E. Boge
Notary Public

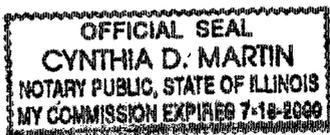
[SEAL]

My Commission expires: 11-8-2000

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 13th day of ~~December, 1998~~ January, 1999 before me personally appears Edward W. Winters, to me personally known, who by me duly sworn, says that he/she is the President of JAIX LEASING COMPANY (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Cynthia D. Martin
Notary Public

[SEAL]

My Commission expires:

**SCHEDULE 1
TO THE MEMORANDUM OF RAILCAR EQUIPMENT LEASE
DATED DECEMBER 1, 1998**

EQUIPMENT

360 Aluminum BethGon™ Coalporter Railcars marked NORX 4000 through NORX 4359 (both inclusive).