RECORDATION NO. 20463 FILED 1496

JAN - 9 1997 4:05 PM

RECEIVED DEC 24 1996 MAIL MANAGEMENT STB 7

December 23, 1996

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

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 August 21 , 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 Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Stockton Terminal and Estern Railroad
1330 North Broadway Avenue
Stockton, CA 95205

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,

Keith Andersen
Manager-Documentation

RECORDATION NO. 20463 FILED 1425

JAN - 6 1997 -4 05 PM

0129A

RECEIVED DEC 24 1996 MAIL MANAGEMENT STB 7

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 21st day of August, 1996, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and STOCKTON TERMINAL & EASTERN RAILROAD ("Lessee"), a California corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of August 21, 1996, 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 Lease.

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: [signature]

Name: John T. Thomas

Title: President

ATTEST:

By: Michelle Berg

Name: Michelle Berg

Title: Office Manager

[CORPORATE SEAL]

Executed on this 20 day of December, 1996.

0129A

STATE OF Illinois

COUNTY OF Cook

I, Michelle Berg, a Notary Public of the County and State aforesaid, certify that John J. Thomas personally came before me this day and acknowledged that (s)he is President ~~Secretary~~ of First Union Rail Corp., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by Michelle Berg ~~as its Secretary.~~

WITNESS my hand and official stamp or seal, this 20th day of December, 1996.

Michelle Berg
Notary Public

My Commission Expires:

2/18/98
(Notary Public)

OFFICIAL SEAL
MICHELLE BERG
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 07/18/98

LESSEE:

[NAME OF CORPORATION]

ATTEST:

By: Stockton Terminal & Eastern Railroad

Name: Thomas K. Beard

Title: President

By: Diane Musto

Name: Diane Musto

Title: Secretary

Executed on this 12 day of Dec, 1996.

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that (s)he is _____ Secretary of _____, a _____ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by _____ as its _____ Secretary.

WITNESS my hand and official stamp or seal, this _____ day of _____, 19___.

_____
Notary Public

My Commission Expires:

_____
(Notary Public)

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF SAN JOAQUIN) ss

On DECEMBER 12, 1996, before me, MARILYN H. LLOYD, a Notary Public, personally appeared THOMAS K. BEARD ===

personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(~~s~~) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(~~ies~~), and that by his/her/their signature(s) on the instrument the person(~~s~~), or the entity upon behalf of which the person(s) acted, executed the instrument

FOR NOTARY SEAL OR STAMP

MARILYN H. LLOYD
COMM. #1020893
NOTARY PUBLIC - CALIFORNIA
SAN JOAQUIN COUNTY
My Comm. Expires April 19, 1998
L101 L101

WITNESS my hand and official seal.

Signature Marilyn H. Lloyd

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF SAN JOAQUIN) ss

On DECEMBER 12, 1996, before me, MARILYN H. LLOYD, a Notary Public, personally appeared DIANE MUSTO ===

~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(~~ies~~), and that by his/her/their signature(s) on the instrument the person(~~s~~), or the entity upon behalf of which the person(s) acted, executed the instrument

FOR NOTARY SEAL OR STAMP

MARILYN H. LLOYD
COMM. #1020893
NOTARY PUBLIC - CALIFORNIA
SAN JOAQUIN COUNTY
My Comm. Expires April 19, 1998
L101 L101

WITNESS my hand and official seal.

Signature Marilyn H. Lloyd

STE001 AND STE002

CARINIT	CARNUM	CARTYPE
STE	001909	R410
STE	001910	R410
STE	001911	R410
STE	001912	R410
STE	001913	R410
STE	001914	R410
STE	001915	R410
STE	001916	R410
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STE	001966	R410
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STE	001968	R410

STE001 AND STE002

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STE	001972	R410
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STE	002027	R410

STE001 AND STE002

CARINIT	CARNUM	CARTYPE
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STE	002086	R410
STE	002087	R410
STE	002088	R410

STE001 AND STE002

CARINIT	CARNUM	CARTYPE
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STE	002092	R410
STE	002093	R410
STE	002094	R410
STE	002095	R410
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STE	002098	R410
STE	002099	R410
STE	002100	R410
STE	002101	R410
STE	002102	R410
STE	002103	R410
STE	002104	R410
STE	002106	R410
STE	002107	R410

187 rows selected.

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