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January 14, 1997

RECORDATION NO 20503 FILED 1425

JAN 15 1997 -4 25 PM

VIA UPS

Secretary
Surface Transportation Board
Room 2311, 12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423
Attention: Recordation Unit

JAN 15 4 24 PM '97
RECEIVED
SURFACE TRANSPORTATION
BOARD

Re: Lease

Dear Secretary:

On behalf of Railcar, Ltd., I submit for recording an original and one counterpart of a primary document, not previously recorded, entitled "Memorandum of Lease Agreement" dated as of December 18, 1996.

The names and addresses of the parties to the document are as follows:

Railcar, Ltd. ("Lessor")
1819 Peachtree Road, N.E., Suite 315
Atlanta, Georgia 30309-1847

Norfolk Southern Railway Company ("Lessee")
110 Franklin Road, S.E.
Roanoke, Virginia 24042

The equipment covered by the document is three hundred (300) 5161 cubic foot covered hopper railroad cars bearing the reporting marks and car numbers NS 293860 through 294159.

A short summary of the document to appear in the index is as follows: "Lease between Railcar, Ltd., 1819 Peachtree Road, N.E., Suite 315, Atlanta, Georgia 30309-1847, as lessor, and Norfolk Southern Railway Company, 110 Franklin Road, S.E., Roanoke, Virginia 24042, as lessee, dated as of December 18, 1996, and covering three hundred (300) 5161 cubic foot covered hopper railroad cars bearing the reporting marks and car numbers NS 293860 through 294159."

CUSHING, MORRIS, ARMBRUSTER & JONES

Secretary, Surface Transportation Board
January 14, 1997
Page 2

Our check for \$22 to the Surface Transportation Board is enclosed.

Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra copies not needed by the STB, together with the fee receipt, the letter from the STB acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,



William M. Ellard

WME/lf
Enclosures

cc: Mr. Eugene N. Martini
Kevin R. Armbruster, Esq.

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

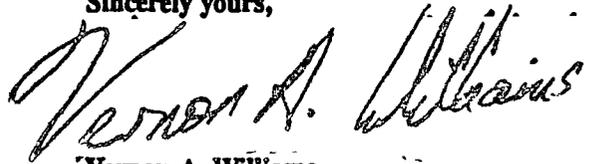
1/15/97

William M. Ellard
Cushing, Morris, Armbruster & Jones
2110 Peachtree Center East Tower
229 Peachtree Street, NE
Atlanta, Georgia 30303

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 1/15/97 at 4:25PM, and assigned recordation number(s). 20503.

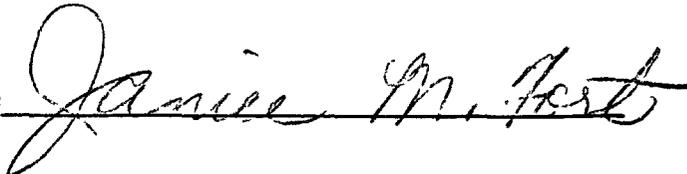
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 22.00 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



MEMORANDUM OF LEASE AGREEMENT

1. Railcar, Ltd., a Georgia corporation ("LTD"), and Norfolk Southern Railway Company ("NS") have entered into a Lease Agreement dated December 18, 1996 (the "Lease Agreement"), pursuant to which LTD has agreed to lease to NS 300 new, 5,161 cf covered hopper cars equipped with trough hatches and gravity outlet gates and built to 286M GRL, bearing the reporting marks and car numbers NS 293860 through 294159.

2. The addresses of the parties are as follows:

Railcar, Ltd. (Lessor)
1819 Peachtree Road, N.E., Suite 315
Atlanta, Georgia 30309

Norfolk Southern Railway Company (Lessee)
110 Franklin Road, S.E.
Roanoke, Virginia 24042

3. The term of the lease is for three years from the date on which delivery and acceptance of all of the cars is completed.

4. The terms and provisions of the lease are more particularly set forth in the Lease Agreement between LTD and NS.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of the 18th day of December, 19 96.

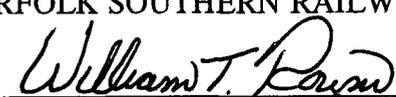
RAILCAR, LTD.

By: 

Name/Title: Eugene N. Martin, Chief Financial Officer

[CORPORATE SEAL]

NORFOLK SOUTHERN RAILWAY COMPANY

By: 

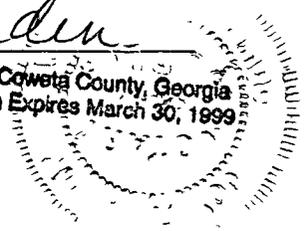
Name/Title: WILLIAM T. ROUSIS / MGR PURCH-CAR

[CORPORATE SEAL]

STATE OF Georgia
COUNTY OF Fulton

On the 6th day of January, 1997, before me personally appeared Eugene N. Martini to me personally known, who being by me duly sworn says that he is CEO of Railcar, Ltd., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joy I. Hardin
Notary Public **Notary Public, Coweta County, Georgia**
My commission expires **March 30, 1999**



[NOTARIAL SEAL]

STATE OF Virginia
COUNTY OF Roanoke

On the 8th day of January, 1997, before me personally appeared William T. Rossie to me personally known, who being by me duly sworn says that he is Manager of Purchasing - Cor., and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jane S. Spemaker
Notary Public
My commission expires:
My Commission Expires **July 31, 2000**



[NOTARIAL SEAL]