First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018-4214
Tel 847 318-7575
Fax 847 318-7588

VIA UPS NEXT DAY AIR

RECORDATION NO. 21186-A FILED

MAR 22 '01 9-56 AM

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SURFACE TRANSPORTATION BOARD

RECEIVED MAR 14 2001 MAIL MANAGEMENT STB

March 13, 2001

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated November 21, 2000, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 21186.

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:	Paducah & Louisville Railway, Inc. 1500 Kentucky Avenue Paducah, KY 42003

A description of the railroad equipment covered by the enclosed document is thirty-five (35) 2743 cubic foot gondola rail cars, with car numbers PAL 246000-246034, inclusive.

A short summary of the document to appear in the index follows:

> Memorandum of Lease between First Union Rail Corporation, Lessor and Paducah & Louisville Railway, Inc., Lessee, covering 35 2743 cubic foot gondola rail cars, with car numbers PAL 246000-246034, inclusive.

Also enclosed is a check in the amount of $27.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase-Morrison

Tiffany Chase-Morrison
Manager of Documentation

Enclosures

(PAL005)

ASSGN. NO.: PAL005

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 21st day of November, 2000, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Paducah & Louisville Railway, Inc. ("Lessee"), a Kentucky corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of November 1, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 3 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of November 1, 2000 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

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: Richard F. Seymour

Name: RICHARD F. SEYMOUR

Title: Vice President Sales & Marketing

ATTEST:

By: K. A. Dombrowski

Name: K. A. DOMBROWSKI

Title: DIRECTOR OF DOCUMENTATION

Executed on this 21st day of Nov., 2000.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 21st day of November, 2000.

Susan Grokulsky
Notary Public

My Commission Expires:
8-14-2004
(Notary Public)

OFFICIAL SEAL
SUSAN GROKULSKY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8-14-2004

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SURFACE TRANSPORTATION BOARD

LESSEE:

PADUCAH & LOUISVILLE RAILWAY, INC.

By: A V Reck

Name: A V RECK

Title: President & COO

ATTEST:

By:_____

Name:_____

Title:_____

Executed on this 13th day of November, 2000.

[CORPORATE SEAL]

STATE OF Kentucky

COUNTY OF McCracken

I, Ellen R. Mertz, a Notary Public of the County and State aforesaid, certify that G. V. Reck personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of November, 2000.

Ellen R. Mertz
Notary Public

Commission Expires:

5/31/04
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS:	Thirty-five (35)
DESCRIPTION OF CARS:	2743 cu.ft. Gondola Cars, 52'6" with 5½' sides, loading to 286,000 lbs.
CAR NUMBERS:	PAL 246000 - 246034