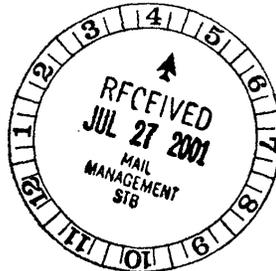




**BOMBARDIER  
CAPITAL**

**Bombardier Capital Rail Inc.**  
6900 Wedgwood Road, Suite 120  
Maple Grove, MN 55311 United States  
Telephone (763) 420-8000  
Fax (763) 420-8003  
<http://www.capital.bombardier.com>



July 23, 2001

**Surface Transportation Board**  
Recordation of Railroad Equipment  
1925 K. Street NW, Suite 704  
Washington, D.C. 20423-0001

Dear Sir or Madam,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of Memorandum of Railcar Lease Agreement dated as of May 18, 2001, a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor: Bombardier Capital Rail Inc.  
(formerly called NorRail, Inc.)  
6900 Wedgwood Road, Suite 120  
Maple Grove, MN 55311  
Phone: 763-416-7207

Lessee: CitiSteel USA  
4001 Philadelphia Pike  
Claymont, DE 19703  
Phone: 302-791-6627

The enclosed Memorandum of Railcar Lease Agreement covers the five (5) 52' 6" Mill Gondola Railcars bearing reporting mark and numbers identified on Exhibit A attached hereto. A short summary of the document to appear in the index follows: "Memorandum of Lease between Bombardier Capital Rail Inc., as Lessor, and CitiSteel USA, as Lessee covering five (5) 52' 6" Mill Gondola Railcars. The Railcars are marked with the NRLX reporting mark and numbered as indicated on Exhibit A to the Memorandum attached hereto."

Enclosed is our check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 763-416-7207.

Very truly yours,

*Gail M Blagsvedt/kl*  
Gail M. Blagsvedt  
Contract Administrator  
Enclosures

RECORDATION NO. 23598 FILED

AUG 3 '01 9-47 AM  
TS  
SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF RAILCAR LEASE AGREEMENT**

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of May 18, 2001 by and between **Bombardier Capital Rail Inc.**, a Minnesota Corporation ("Lessor") and **CitiSteel USA**, a Delaware Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 0351951 dated May 18, 2001 between Lessor and Lessee (hereinafter referred to as the "Lease").

2. Pursuant to Schedule No. 001 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the five (5) 52' 6" Mill Gondola railcars bearing the reporting marks and numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.

3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

**LESSOR: Bombardier Capital Rail Inc.**

By: Mark A. Self

Its: Mark A. Self  
**Vice President, General Manager**

By: L. Lee Struble

Its: L. Lee Struble  
**Vice President-Sales**

**LESSEE: CitiSteel USA**

By: By

Its: CRSC V.A. & GM

By: Richard J. Mulford

Its: Manager, Product Planning & Physical Distribution

RECORDATION NO. 23598 **FILED**

**AUG 3 '01 9-47 AM**

**SURFACE TRANSPORTATION BOARD**

**EXHIBIT A**  
**To**  
**MEMORANDUM OF RAILCAR LEASE AGREEMENT**

<b>EQUIP</b>	<b>ON RENT</b>
NRLX52746	6/26/01
NRLX52747	6/26/01
NRLX52767	6/26/01
NRLX52769	6/26/01
NRLX52774	6/26/01

STATE OF Delaware, COUNTY OF New Castle TO WIT:

On this 18<sup>th</sup> day of June, 2001 before me personally appeared, Warren Bizer and Richard Mulford, to me personally known, who being by me duly sworn, says that they are the Exec VP & GM and Manager Phys. Distribution, respectively of CitiSteel USA, a Delaware Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

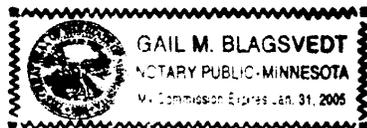
(Seal)

Matthew R. Dyer  
Notary Public  
My commission expires: 12/28/2003

STATE OF MINNESOTA, COUNTY OF HENNEPIN TO WIT:

On this 18 day of May, 2001 before me personally appeared, Mark A. Selby and L. Lee Stumble to me personally known, who being by me duly sworn, says that they are the VP-GM and VP-Sales, respectively of **Bombardier Capital Rail Inc.**, a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Gail M. Blagsvedt  
Notary Public  
My commission expires: 1/31/05