



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 2nd DAY AIR

January 30, 2002

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

RECORDED NO. 23856 FILED

FEB 7 '02 10-01 AM
TS
SURFACE TRANSPORTATION BOARD

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

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 July 24, 2000, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. 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: PCS Nitrogen Fertilizer, L.P.
1100 Skokie Blvd., Suite 400
Northbrook, IL 60062

A description of the railroad equipment covered by the enclosed document is two (2) switching locomotives, with car numbers PCSN00011 and PCSN00013.

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

Memorandum of Lease between First Union Rail Corporation, Lessor and PCS Nitrogen Fertilizer, L.P., Lessee, covering 2 switching locomotives, with car numbers PCSN00011 and PCSN00013.

Also enclosed is a check in the amount of \$28.00 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) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

Susan Grokulsky
Susan Grokulsky
Manager - Documents Administration

Enclosures

(PCSN001)

PCSN001

23856 FILED

EXHIBIT A
to
RIDER NO. 1

FEB 7 '02 10-01 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 24th day of JULY, 2000, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and PCS Nitrogen Fertilizer, L.P. ("Lessee"), a Delaware limited partnership.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of July 24, 2000, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of December 3, 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

ATTEST:

By: [Signature]
Name: MORRISON
Title: Mgr. Documentation

By: [Signature]
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 9th day of August, 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 9th day of August, 2000.

[Signature]
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

PCS NITROGEN FERTILIZER, L.P.

ATTEST:

By: [Signature]
Name: J. Cabot Brown
Title: Secretary

By: [Signature]
Name: Friedrich D. Butag
Title: V.P. Manufacturing

Executed on this 24th day of July, 2000.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF LAKE

I, Nancy T. White, a Notary Public of the County and State aforesaid, certify that Friedrich D. Abitz 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 July, 2000.

Nancy T. White
Notary Public

My Commission Expires:

03/15/04
(Notary Public)

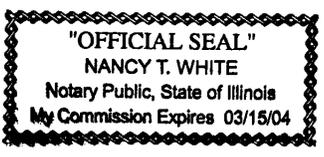


EXHIBIT A
To
Memorandum of Lease

NUMBER OF LOCOMOTIVES: Two (2)
DESCRIPTION OF LOCOMOTIVES: RX500 Switching Locomotives, 600 hp
LOCOMOTIVE NUMBERS: PCSN00011 and PCSN00013