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A T T O R N E Y S

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June 25, 2002

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Supplement No. 1 to Assignment and Assumption and Amended and Restated Locomotive Master Sublease Agreement (Southern Capital Trust I 2002-1), a secondary document, dated as of June 25, 2002. The primary document to which this is connected is recorded under Recordation No. 20312. We request that this document be recorded under Recordation No. 20312-CC.

The names and addresses of the parties to the Memorandum of Supplement No. 1 to Assignment and Assumption and Amended and Restated Locomotive Master Sublease Agreement (Southern Capital Trust I 2002-1) are:

Sub-Lessor:

SCC SPV I LLC
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

Sublessee:

The Kansas City Southern Railway Company
114 West Eleventh Street
Kansas City, MO 64105

A description of the equipment covered by the Memorandum of Supplement No. 1 to Assignment and Assumption and Amended and Restated Locomotive Master Sublease Agreement (Southern Capital Trust I 2002-1) consists of 50 AC4400 CW locomotives numbered KCS 2000-2049, inclusive.

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SURFACE TRANSPORTATION BOARD

BALL JANIK LLP

Honorable Vernon A. Williams

June 25, 2002

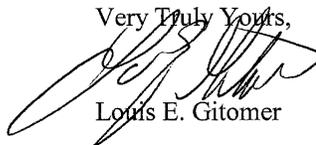
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A fee of \$30.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Supplement No. 1 to Assignment and Assumption and Amended and Restated Locomotive Master Sublease Agreement (Southern Capital Trust I 2002-1) between SCC SPV I LLC, Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-0001, and The Kansas City Southern Railway Company, 114 West Eleventh Street, Kansas City, MO 64105, consists of 50 AC4400 CW locomotives numbered KCS 2000-2049, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name.

Louis E. Gitomer

Enclosures

**MEMORANDUM OF SUPPLEMENT NO. 1 TO
ASSIGNMENT AND ASSUMPTION AND AMENDED AND RESTATED
LOCOMOTIVE MASTER SUBLEASE AGREEMENT
(SOUTHERN CAPITAL TRUST I 2002-1)**

THIS MEMORANDUM OF LEASE SUPPLEMENT NO. 1 TO ASSIGNMENT AND ASSUMPTION AND AMENDED AND RESTATED LOCOMOTIVE MASTER SUBLEASE AGREEMENT (SOUTHERN CAPITAL TRUST I 2002-1) dated as of June 25, 2002, is by and between **SCC SPV I LLC**, a Delaware limited liability company, as Sub-Lessor (“Sub-Lessor”), and **THE KANSAS CITY SOUTHERN RAILWAY COMPANY**, a Missouri company, as lessee (“Sublessee”)

WITNESSETH:

The Sub-Lessor and the Sublessee have entered into that certain Assignment and Assumption and Amended and Restated Locomotive Master Sublease Agreement (Southern Capital Trust I 2002-1), dated as of June 25, 2002 (the “**Lease Agreement**”), a memorandum of which is being filed with the Surface Transportation Board concurrently herewith.

The Sub-Lessor and the Sublessee have entered into that certain Lease Supplement No. 1 to Assignment and Assumption and Amended and Restated Locomotive Master Sublease Agreement (Southern Capital Trust I 2002-1), dated as of June 25, 2002, whereby certain locomotives (collectively, the “**Equipment**”), which are set forth in Exhibit A, attached hereto, are made subject to the Lease Agreement.

For the purposes of facilitating the execution of this memorandum, this memorandum may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in Appendix A to the Lease Agreement.

* * *

~~RECORDED~~ 20312-CC
AUG 25 '02 10-57 AM
SURFACE TRANSPORTATION BOARD

[Memorandum of Sublease Supplement No. 1]

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed by their respective officers duly authorized on the date and year hereof.

SCC SPV I LLC

By Wilmington Trust Company, not in its individual capacity but solely as the Independent Manager

By: _____

Name: **Donald G. MacKelcan**

Title: **Vice President**

**THE KANSAS CITY SOUTHERN
RAILWAY COMPANY**

By: _____

Name: Paul Weyandt

Title:

STATE OF Delaware
COUNTY OF New Castle

On this 18th day of June, 2002 before me personally appeared Donald G. Mackelcan, to me personally known, who being duly sworn, says that he/she is the Vice President of WILMINGTON TRUST CO. that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marilena J. Pedelini
Notary Public

My commission expires: _____

MARILENA PEDELINI
NOTARY PUBLIC-DELAWARE
My Commission Expires Oct. 31, 2003

[Memorandum of Sublease Supplement No. 1]

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed by their respective officers duly authorized on the date and year hereof.

SCC SPV I LLC

By Wilmington Trust Company, not in its individual capacity but solely as the Independent Manager

By: _____

Name:

Title:

**THE KANSAS CITY SOUTHERN
RAILWAY COMPANY**

By: Paul J. Weyandt

Name: Paul Weyandt

Title: *Treasurer*

STATE OF MISSOURI)
)
COUNTY OF JACKSON)

On this 18th day of June, 2002 before me personally appeared Paul J. Weyandt, to me personally known, who being duly sworn, says that he is the Vice President and Treasurer of The Kansas City Southern Railway Company, that said instrument was signed 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.


Notary Public

My commission expires:

LINDA REEVE
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires August 4, 2002

EXHIBIT A

[SEE ATTACHED]

Fifty (50) newly manufactured General Electric AC4400 CW diesel electric locomotives with road marks KCS 2000 through 2049, inclusive.