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ELLSWORTH C. ALVORD (1964)

October 15, 2002

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease of Railroad Equipment, dated March 1, 2002, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lessee:	Kansas City Southern Railway Company 427 West 12 th Street Kansas City, MO 64105
Lessor:	Residual Based Finance Corporation Three First National Plaza Suite 777 Chicago, IL 60602

A description of the railroad equipment covered by the enclosed document is:

92 covered hoppers reporting marks and road numbers KCS 309500 through 309594 exclusive of 309504, 309560 and 309578.

RECORDATION NO. 24171 FILED

OCT 15 '02 2-15 PM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams
October 15, 2002
Page Two

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

Memorandum of Lease of Railroad Equipment

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr
Enclosures

MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT

THIS MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT (this "Agreement") dated as of March 1, 2002 by and between Kansas City Southern Railway Company, a Missouri corporation ("Lessee"), and Residual Based Finance Corporation, an Illinois corporation ("Lessor").

WITNESSETH:

WHEREAS, Lessor and Lessee have entered into that certain Lease of Railroad Equipment dated as of March 1, 2002 (the "Lease"; capitalized terms used herein and not otherwise defined herein shall have the meaning given such terms in the Lease);

WHEREAS, the railroad equipment (the "Leased Equipment") leased under the Lease is described on Schedule A attached hereto; and

WHEREAS, the parties desire to confirm the lease of the Leased Equipment on the terms set forth in the Lease;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Lessor hereby leases the Leased Equipment to the Lessee, and Lessee leases the Leased Equipment from Lessor, on the terms set forth in the Lease.
2. The terms of the Lease are incorporated herein by reference.

RECORDATION NO. 24171 FILED

OCT 15 '02 2-15 PM

TRANSPORTATION BOARD

LESSOR

Residual Based Finance Corporation

By [Signature]

Its President

LESSEE

Kansas City Southern Railway Company

By [Signature]

Its Vice President and Treasurer

Filed Date: _____

Recordation No: _____

SCHEDULE A
To
Memorandum
Lease of Railroad Equipment
Dated 1st of March, 2002
Between
Residual Based Financial Corporation
And
Kansas City Southern Railway Company

Ninety-two 4,750 cubic foot 100 ton covered hoppers

Car Reporting Mark(s) and Road Number(s): KCS 309500 thru 309594 exclusive of 309504, 309560 and 309578

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 20th day of September 2002, before me personally appeared Vincent A. Kolber, to me personally known, who, being by me duly sworn, says that he is President of Residual Based Finance Corporation, that the foregoing 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.

Barbara T. Hamielec
Notary Public

My commission expires

09-10-06



STATE OF MISSOURI)
) SS
COUNTY OF JACKSON)

On this 8 day of October, 2002, before me personally appeared Paul J. Weyandt, to me personally known, who, being by me duly sworn, did say that he is the Vice President and Treasurer of The Kansas City Southern Railway Company and the the foregoing Master Lease Agreement was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of said instrument was the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Barbara L. Blevins
Notary Public
My Commission Expires 10-04-03

(SEAL)