



First Union Rail Corporation
 NC5811
 Commercial Leasing Group
 One O'Hare Centre
 6250 River Road, Suite 5000
 Rosemont, IL 60018
 Tel 847 318-7575
 847 318-7588

VIA UPS 2nd DAY AIR

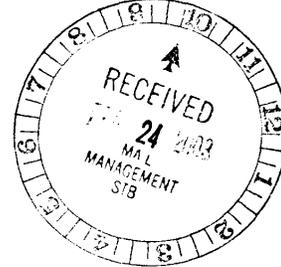
February 20, 2003

RECORDATION NO. 24251-A FILED

FEB 24 '03 1-04 PM

SURFACE TRANSPORTATION BOARD

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 January 17, 2003, 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 on this date with the Commission under Recordation Number 24251.

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: Union Pacific Railroad Corporation
 1416 Dodge Street
 Omaha, NE 68179

A description of the railroad equipment covered by the enclosed document is two hundred ninety-six (296) 2555 cubic foot capacity gondola cars, with FURX and NDYX marks (See Exhibit A for numbers).

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

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 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,

Amy Carone
 Manager of Documentation

Enclosures

(UP087)

ASSGN. NO. UP087

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 17th day of January, 2003, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Union Pacific Railroad Company ("Lessee"), a Delaware corporation.

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of April 1, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 11 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of December 1, 2002, 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: K.A. Dombrowski

Title: DIRECTOR OF DOCUMENTATION

By: [Signature]

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

Executed on this 27th day of Jan., 2003.

[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 27th day of January, 2003

[Signature]
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



RECORDATION NO. _____ FILED

FEB 24 '03 1-04 PM

SURFACE TRANSPORTATION BOARD

LESSEE:

UNION PACIFIC RAILROAD COMPANY

By: Nicholas E. Krajcek

Name: NICHOLAS KRAJICEK
Title: MANAGER PURCHASING-LEASING

Title: _____

ATTEST:

By: [Signature]

Name: CANDACE L. ORZ

Title: MANAGER PURCHASING -
BRIDGE

Executed on this 17th day of January, 2003

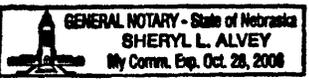
[CORPORATE SEAL]

STATE OF Nebraska

COUNTY OF Douglas

I, [Signature], a Notary Public of the County and State aforesaid, certify that Nicholas E. Krajcek 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 17th day of January, 2003



[Signature]
Notary Public

Commission Expires:
10/28/2006
(Notary Public)

EXHIBIT A to MEMORANDUM OF LEASE

NUMBER OF UNITS: Two hundred ninety-six (296)

DESCRIPTION OF UNITS: 52' 6" 100-ton, 2555 cf Gondola Cars with 4'6" sides
Built in 1972, reconditioned in 1993.

UNIT NUMBERS AND MARKS: See below:

FURX	310105	NDYX	122	NDYX	169	NDYX	217	NDYX	263	NDYX	306	NDYX	355
FURX	310124	NDYX	123	NDYX	170	NDYX	218	NDYX	264	NDYX	308	NDYX	356
FURX	310125	NDYX	126	NDYX	171	NDYX	219	NDYX	265	NDYX	309	NDYX	357
FURX	310151	NDYX	127	NDYX	172	NDYX	221	NDYX	266	NDYX	310	NDYX	358
FURX	310166	NDYX	128	NDYX	173	NDYX	222	NDYX	267	NDYX	311	NDYX	359
FURX	310175	NDYX	129	NDYX	174	NDYX	223	NDYX	268	NDYX	313	NDYX	360
FURX	310192	NDYX	130	NDYX	176	NDYX	224	NDYX	269	NDYX	314	NDYX	361
FURX	310194	NDYX	131	NDYX	177	NDYX	225	NDYX	270	NDYX	316	NDYX	362
FURX	310210	NDYX	132	NDYX	178	NDYX	226	NDYX	271	NDYX	317	NDYX	363
FURX	310215	NDYX	133	NDYX	179	NDYX	227	NDYX	272	NDYX	319	NDYX	364
FURX	310220	NDYX	134	NDYX	180	NDYX	228	NDYX	273	NDYX	320	NDYX	365
FURX	310238	NDYX	135	NDYX	181	NDYX	229	NDYX	274	NDYX	321	NDYX	366
FURX	310240	NDYX	136	NDYX	182	NDYX	230	NDYX	275	NDYX	322	NDYX	367
FURX	310312	NDYX	137	NDYX	183	NDYX	231	NDYX	276	NDYX	323	NDYX	368
FURX	310318	NDYX	138	NDYX	184	NDYX	232	NDYX	277	NDYX	324	NDYX	370
FURX	310347	NDYX	139	NDYX	185	NDYX	233	NDYX	278	NDYX	325	NDYX	371
FURX	310348	NDYX	140	NDYX	186	NDYX	234	NDYX	279	NDYX	326	NDYX	372
FURX	310369	NDYX	141	NDYX	187	NDYX	235	NDYX	280	NDYX	327	NDYX	374
FURX	310373	NDYX	142	NDYX	188	NDYX	236	NDYX	281	NDYX	328	NDYX	375
FURX	310382	NDYX	143	NDYX	189	NDYX	237	NDYX	282	NDYX	329	NDYX	376
FURX	310385	NDYX	144	NDYX	190	NDYX	239	NDYX	283	NDYX	330	NDYX	377
FURX	310386	NDYX	145	NDYX	191	NDYX	241	NDYX	284	NDYX	331	NDYX	379
FURX	310394	NDYX	146	NDYX	193	NDYX	242	NDYX	285	NDYX	332	NDYX	380
FURX	310395	NDYX	147	NDYX	195	NDYX	243	NDYX	286	NDYX	333	NDYX	381
NDYX	101	NDYX	148	NDYX	196	NDYX	244	NDYX	287	NDYX	334	NDYX	383
NDYX	102	NDYX	149	NDYX	197	NDYX	245	NDYX	288	NDYX	335	NDYX	384
NDYX	103	NDYX	150	NDYX	198	NDYX	246	NDYX	289	NDYX	336	NDYX	387
NDYX	104	NDYX	152	NDYX	199	NDYX	247	NDYX	290	NDYX	337	NDYX	388
NDYX	107	NDYX	153	NDYX	200	NDYX	248	NDYX	291	NDYX	338	NDYX	389
NDYX	108	NDYX	154	NDYX	201	NDYX	249	NDYX	292	NDYX	339	NDYX	390
NDYX	109	NDYX	155	NDYX	202	NDYX	250	NDYX	293	NDYX	340	NDYX	391
NDYX	110	NDYX	156	NDYX	203	NDYX	251	NDYX	294	NDYX	341	NDYX	392
NDYX	111	NDYX	157	NDYX	204	NDYX	252	NDYX	295	NDYX	342	NDYX	393
NDYX	112	NDYX	158	NDYX	205	NDYX	253	NDYX	296	NDYX	343	NDYX	396
NDYX	113	NDYX	159	NDYX	206	NDYX	254	NDYX	297	NDYX	344	NDYX	397
NDYX	114	NDYX	160	NDYX	207	NDYX	255	NDYX	298	NDYX	345	NDYX	398
NDYX	115	NDYX	161	NDYX	208	NDYX	256	NDYX	299	NDYX	346	NDYX	399
NDYX	116	NDYX	162	NDYX	209	NDYX	257	NDYX	300	NDYX	349	NDYX	400
NDYX	117	NDYX	163	NDYX	211	NDYX	258	NDYX	301	NDYX	350	Count:	296
NDYX	118	NDYX	164	NDYX	212	NDYX	259	NDYX	302	NDYX	351		
NDYX	119	NDYX	165	NDYX	213	NDYX	260	NDYX	303	NDYX	352		
NDYX	120	NDYX	167	NDYX	214	NDYX	261	NDYX	304	NDYX	353		
NDYX	121	NDYX	168	NDYX	216	NDYX	262	NDYX	305	NDYX	354		