

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
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RECORDATION NO. 22774-B FILED

OCT 15 '04 3-40 PM

SURFACE TRANSPORTATION BOARD

VIA UPS 2nd DAY AIR

October 13, 2004



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 two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated May 25, 2004, 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 with the Commission under Recordation Number 22774.

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

<p>Lessor: First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018</p>	<p>Lessee: Norfolk Southern Railway Company 110 Franklin Road SE Roanoke, VA 24042-0072</p>
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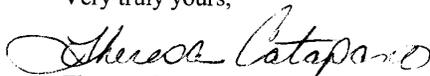
A description of the railroad equipment covered by the enclosed document is one-hundred fifty-eight (158) 52' gondola cars with 5'6" sides, 286,000 lbs. GWR, cars marked NOKL (see Exhibit A for car numbers).

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 regarding the above-referenced matter, please contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(NS059)

RECORDATION NO. 22774-B FILED

ASSGN. NO.: NS059

OCT 15 '04 3-40 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 25th day of May, 2004 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Norfolk Southern Railway Company, a Virginia corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of August 30, 1996, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 35 to the Lease (the "Rider") as described in more particular on Exhibit A attached hereto, effective as of June 1, 2004, 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: GEORGIA FREIBURGER
Title: MGR. OF DOCUMENTATION

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

Executed on this 25th day of May, 2004

[CORPORATE SEAL]

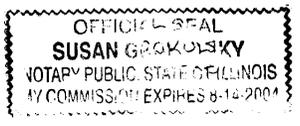
STATE OF ILLINOIS
COUNTY OF COOK

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 25th day of May, 2004.

[Signature]
Notary Public

My Commission Expires:
8-14-2004
(Notary Public)



LESSEE:

NORFOLK SOUTHERN RAILWAY
COMPANY

ATTEST:

By: [Signature]
Name: CE CARBAUGH
Title: Asst. to VC & COO

By: [Signature]
Name: S. C. TOBIAS
Title: VC & COO

Executed on this 31st day of Aug, 2004.

[CORPORATE SEAL]

STATE OF Virginia
COUNTY OF Norfolk

I, Lisa F. Ehle, a Notary Public of the County and State aforesaid, certify that Stephen C. Tobias personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 31st day of August, ~~2002~~ 2004

[Signature]
Notary Public

My Commission Expires:
June 30 2005
(Notary Public)

EXHIBIT A to MEMORANDUM OF LEASE

NUMBER OF CARS: One hundred fifty-eight (158)

DESCRIPTION OF CARS: 52' gondola cars with 5' 6" sides, 286,000 lbs. GWR

CAR NUMBERS:

NOKL 320208	NOKL 321127	NOKL 321168	NOKL 321209
NOKL 321087	NOKL 321128	NOKL 321169	NOKL 321621
NOKL 321088	NOKL 321129	NOKL 321170	NOKL 321623
NOKL 321089	NOKL 321130	NOKL 321171	NOKL 321951
NOKL 321090	NOKL 321131	NOKL 321172	NOKL 321953
NOKL 321091	NOKL 321132	NOKL 321173	NOKL 321960
NOKL 321092	NOKL 321133	NOKL 321174	NOKL 321968
NOKL 321093	NOKL 321134	NOKL 321175	NOKL 321978
NOKL 321094	NOKL 321135	NOKL 321176	NOKL 321982
NOKL 321095	NOKL 321136	NOKL 321177	NOKL 321987
NOKL 321096	NOKL 321137	NOKL 321178	NOKL 322103
NOKL 321097	NOKL 321138	NOKL 321179	NOKL 322104
NOKL 321098	NOKL 321139	NOKL 321180	NOKL 322107
NOKL 321099	NOKL 321140	NOKL 321181	NOKL 322110
NOKL 321100	NOKL 321141	NOKL 321182	NOKL 322116
NOKL 321101	NOKL 321142	NOKL 321183	NOKL 322121
NOKL 321102	NOKL 321143	NOKL 321184	NOKL 322137
NOKL 321103	NOKL 321144	NOKL 321185	NOKL 322150
NOKL 321104	NOKL 321145	NOKL 321186	NOKL 322155
NOKL 321105	NOKL 321146	NOKL 321187	NOKL 322156
NOKL 321106	NOKL 321147	NOKL 321188	NOKL 322157
NOKL 321107	NOKL 321148	NOKL 321189	NOKL 322159
NOKL 321108	NOKL 321149	NOKL 321190	NOKL 322160
NOKL 321109	NOKL 321150	NOKL 321191	NOKL 322161
NOKL 321110	NOKL 321151	NOKL 321192	NOKL 322165
NOKL 321111	NOKL 321152	NOKL 321193	NOKL 322168
NOKL 321112	NOKL 321153	NOKL 321194	NOKL 322172
NOKL 321113	NOKL 321154	NOKL 321195	NOKL 322173
NOKL 321114	NOKL 321155	NOKL 321196	NOKL 322181
NOKL 321115	NOKL 321156	NOKL 321197	NOKL 322192
NOKL 321116	NOKL 321157	NOKL 321198	NOKL 322193
NOKL 321117	NOKL 321158	NOKL 321199	NOKL 322211
NOKL 321118	NOKL 321159	NOKL 321200	NOKL 322213
NOKL 321119	NOKL 321160	NOKL 321201	NOKL 322214
NOKL 321120	NOKL 321161	NOKL 321202	NOKL 322220
NOKL 321121	NOKL 321162	NOKL 321203	Count: 158
NOKL 321122	NOKL 321163	NOKL 321204	
NOKL 321123	NOKL 321164	NOKL 321205	
NOKL 321124	NOKL 321165	NOKL 321206	
NOKL 321125	NOKL 321166	NOKL 321207	
NOKL 321126	NOKL 321167	NOKL 321208	