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September 28, 2000

RECORDATION NO. 23135 FILED

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

SEP 29 '00 12-53 PM
TS
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a Memorandum of Lease Agreement, dated as of September 25, 2000, 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:

Lessor: Transamerica Equipment Financial Services
Corporation
5080 Spectrum Drive, Suite 1100 West
Addison, Texas 75001

Lessees: Kasgro Rail Corporation
320 East Cherry Street
New Castle, PA 16102

Kasgro Leasing, L.L.C.
320 East Cherry Street
New Castle, PA 16102

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

Thirty-one (31) railcars each with KRL rail marks and with the following road numbers: 25962 – 25966, 27100 – 27101, 60957 – 60958, 70962 – 70963, 70967 – 70969, 70986 – 70999 and 370380 – 370382, each inclusive.

Mr. Vernon A. Williams
September 28, 2000
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A short summary of the railroad equipment covered by the enclosed document is:

Memorandum of Lease Agreement, dated as of September 25, 2000 between Transamerica Equipment Financial Services Corporation, Lessor, and Kasgro Rail Corporation and Kasgro Leasing, L.L.C., Lessees covering thirty-one (31) railcars each with KRL rail marks and with the following road numbers: 25962 – 25966, 27100 – 27101, 60957 – 60958, 70962 – 70963, 70967 – 70969, 70986 – 70999 and 370380 – 370382, each inclusive.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bjg
Enclosures

SEP 29 '00 12-53 PM

MEMORANDUM OF LEASE AGREEMENT SURFACE TRANSPORTATION BOARD

Memorandum of Lease Agreement made and entered into as of September 25, 2000 by and between Transamerica Equipment Financial Services Corporation, a Delaware corporation ("Lessor"), and Kasgro Rail Corporation ("KRC") and Kasgro Leasing, L.L.C. (KL), jointly and severally (KRC and KL are hereinafter referred to as "Lessee").

WITNESSETH:

Pursuant to the provisions of the Lease, Lessor and Lessee hereby acknowledge and affirm that:

* The undersigned have entered into that certain Lease Agreement dated as of September 25, 2000, whereby for good and valuable consideration, Lessor is leasing to Lessee and Lessee is leasing from Lessor certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto (the "Railcars") effective as of the date hereof and subject to the terms defined in the Lease.

* Lessor and Lessee further acknowledge and affirm that this Memorandum of Lease Agreement is not a summary of either the Lease nor a complete recitation of the terms and provisions thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between this Memorandum of Lease Agreement and the provisions of the Lease or the Supplement No. 1, the provisions of the Lease or the Supplement No. 1, as the case may be, shall control.

IN WITNESS WHEREOF, the undersigned have each caused this Memorandum to be duly executed as of the date and year first above written.

TRANSAMERICA-EQUIPMENT FINANCIAL SERVICES CORPORATION

By 
Name: Ferris W. Mapes
Title: Vice President

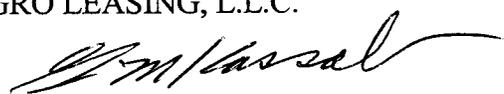
Executed on this 25th day of September, 2000

KASGRO RAIL CORPORATION

By 
Name: G. M. Kassab
Title: President & CEO

Executed on this 25th day of September, 2000

KASGRO LEASING, L.L.C.

By 
Name: G. M. Kassab
Title: President & CEO

Executed on this 25th day of September, 2000

State of Texas)
) ss:
County of Dallas)

On this 25th day of September, 2000, before me personally appeared Ferris W. Mapes, to me personally known, who being duly sworn, stated that he is Vice President of Transamerica Equipment Financial Services Corporation, 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.

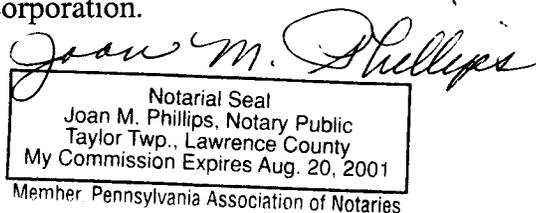
Julie L. Milbrath



My Commission expires: September 20, 2003

State of Pennsylvania)
) ss:
County of Lawrence)

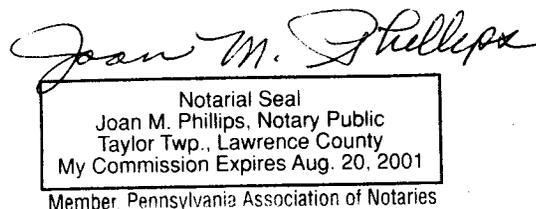
On this 25th day of September, 2000, before me personally appeared G. M. Kassab, to me personally known, who being duly sworn, stated that he is President & CEO of Kasgro Rail Corporation, that said instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



My Commission expires: August 20, 2001

State of Pennsylvania)
) ss:
County of Lawrence)

On this 25th day of September, 2000, before me personally appeared G. M. Kassab, to me personally known, who being duly sworn, stated that he is President & CEO of Kasgro Leasing, L.L.C., that said instrument was signed on behalf of said limited liability company by authority of its managers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.



My Commission expires: August 20, 2001

Exhibit A – Railcar Listing under Memorandum of Lease Agreement dated September 25, 2000

Between
Kasgro Leasing LLC and Kasgro Rail Corporation
(jointly and severally, “Lessee”)
And
Transamerica Equipment Financial Services Corporation
(“Lessor”)

| Current Reporting Marks & Road Numbers | Anticipated/New Reporting Marks & Road Numbers |
|---|---|
| LNAL 70962 | KRL 70962 |
| LNAL 70963 | KRL 70963 |
| LNAL 70967 | KRL 70967 |
| LNAL 70968 | KRL 70968 |
| LNAL 70969 | KRL 70969 |
| LNAL 70986 | KRL 70986 |
| LNAL 70987 | KRL 70987 |
| LNAL 70988 | KRL 70988 |
| LNAL 70989 | KRL 70989 |
| LNAL 70990 | KRL 70990 |
| LNAL 70991 | KRL 70991 |
| LNAL 70992 | KRL 70992 |
| LNAL 70993 | KRL 70993 |
| LNAL 70994 | KRL 70994 |
| LNAL 70995 | KRL 70995 |
| LNAL 70996 | KRL 70996 |
| LNAL 70997 | KRL 70997 |
| LNAL 70998 | KRL 70998 |
| LNAL 70999 | KRL 70999 |
| LNAL 370380 | KRL 370380 |
| LNAL 370381 | KRL 370381 |
| KRL 370382 | KRL 370382 |
| LNAL 25962 | KRL 25962 |
| LNAL 25963 | KRL 25963 |
| LNAL 25964 | KRL 25964 |
| LNAL 25965 | KRL 25965 |
| LNAL 25966 | KRL 25966 |
| LNAL 27100 | KRL 27100 |
| LNAL 27101 | KRL 27101 |
| LNAL 60957 | KRL 60957 |
| LNAL 60958 | KRL 60958 |