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RECORDED 23887 - PND

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TS
SURFACE TRANSPORTATION BOARD

igitomer@bjllp.com

March 6, 2002

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

Dear Secretary Williams:

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

The document is a Memorandum of Lease Agreement, a primary document, dated as of February 28, 2002. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

LaSalle National Leasing Corporation
One West Pennsylvania Avenue, Suite 1000
Towson, MD 21204

Lessees:

Kasgro Rail Corp.
Kasgro Leasing, LLC
320 East Cherry Street
New Castle PA 16102

A description of the equipment covered by the Memorandum of Lease Agreement consists of 19 flat cars numbered KRL 370361, 370362, 370365, 388003, 388004, 701229, and 70853-70865, inclusive.

BALL JANIK LLP

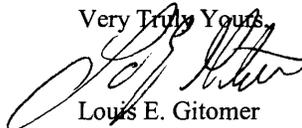
Honorable Vernon A. Williams
March 6, 2002
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A fee of \$ 28.00 is enclosed. Please return two originals to:

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 Lease Agreement between LaSalle National Leasing Corporation, One West Pennsylvania Avenue, Suite 1000, Towson, MD 21204, and Kasgro Rail Corp., Kasgro Leasing, LLC, 320 East Cherry Street, New Castle PA 16102, covering 19 flat cars numbered KRL 370361, 370362, 370365, 388003, 388004, 701229, and 70853-70865, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosures

MEMORANDUM OF LEASE AGREEMENT

dated as of February 28, 2002

by and between

**KASGRO RAIL CORP.
As Lessee**

and

**KASGRO LEASING, LLC
as Lessee**

and

**LASALLE NATIONAL LEASING CORPORATION
as Lessor**

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on March __ 2002, at __:__.m.**

RECORDATION NO. 23887 FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of February 28 2002, by and between LASALLE NATIONAL LEASING CORPORATION, its successors and assigns ("Lessor"), and KASGRO RAIL CORP. and KASGRO LEASING, LLC, and their successors and assigns (collectively, "Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain cars described on Schedule A attached hereto.

All of such cars are more fully described in that certain Railcar Master Lease Agreement dated as of December 31, 2001, and Equipment Schedule No. 1 thereto and incorporating the terms thereof, dated as of December 31 2001 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

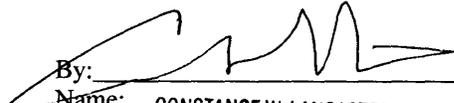
This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

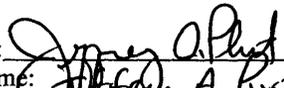
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SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Lease Agreement to be duly executed as of the date first above written.

LASALLE NATIONAL LEASING CORPORATION

By: 
Name: CONSTANCE W. LANCASTER
Title: 1st VICE PRESIDENT

KASGRO RAIL CORP.

By: 
Name: Jeffrey A. Pirt
Title: Exec VP

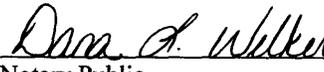
KASGRO LEASING, LLC

By: 
Name: Jeffrey A. Pirt
Title: Exec VP

STATE OF MARYLAND, COUNTY OF BALTIMORE, SS:

On this 28 day of February 2002, before me appeared Constance W. Lancaster, the person who signed this instrument, who acknowledged that (s)he is the 1st Vice President of LaSalle National Leasing Corporation and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal] DANA L. WELKER
NOTARY PUBLIC
BALTIMORE COUNTY

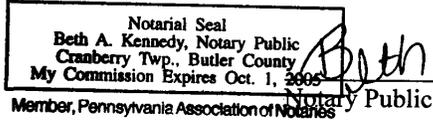

Notary Public

My commission expires: 11/12/03

STATE/Commonwealth of PA, COUNTY OF BUTLER, SS:

On this 11 day of February 2002, before me appeared JEFFREY A PLUT,
the person who signed this instrument, who acknowledged that (s)he is the
Exec VP of Kasgro Rail Corp. and that, being duly authorized, (s)he signed such
instrument as a free act on behalf of said corporation.

[Seal]

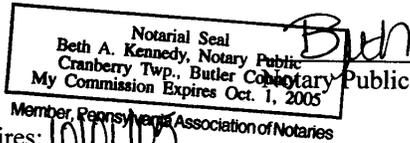


My commission expires: 10/01/05

STATE/Commonwealth of PA, COUNTY OF BUTLER, SS:

On this 11 day of February 2002, before me appeared JEFFREY A PLUT,
the person who signed this instrument, who acknowledged that (s)he is the
Exec VP of Kasgro Leasing, LLC. and that, being duly authorized, (s)he signed
such instrument as a free act on behalf of said limited liability company.

[Seal]



My commission expires: 10/01/05

SCHEDULE A
TO MEMORANDUM OF LEASE AGREEMENT

DESCRIPTION OF RAILCARS AND REPORTING MARKS

Car Number	Description	Type
70865	70' 230 T 8 Axle Flat Car	Heavy Duty
70864	70' 230 T 8 Axle Flat Car	Heavy Duty
70863	70' 230 T 8 Axle Flat Car	Heavy Duty
70862	70' 230 T 8 Axle Flat Car	Heavy Duty
70861	70' 230 T 8 Axle Flat Car	Heavy Duty
70860	70' 230 T 8 Axle Flat Car	Heavy Duty
70859	70' 230 T 8 Axle Flat Car	Heavy Duty
70858	70' 230 T 8 Axle Flat Car	Heavy Duty
70857	70' 230 T 8 Axle Flat Car	Heavy Duty
70856	70' 230 T 8 Axle Flat Car	Heavy Duty
70855	70' 230 T 8 Axle Flat Car	Heavy Duty
70854	70' 230 T 8 Axle Flat Car	Heavy Duty
70853	70' 230 T 8 Axle Flat Car	Heavy Duty
701229	70' 112 T 4 Axle Flat Car	Heavy Duty
370361	48' 370 T 12 Axle Flat Car	Heavy Duty
370362	48' 370 T 12 Axle Flat Car	Heavy Duty
370365	48' 370 T 12 Axle Flat Car	Heavy Duty
388003	38' 150 Ton 8-Axle Flat Car	Heavy Duty
388004	38' 150 Ton 8-Axle Flat Car	Heavy Duty