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ELIAS C. ALVORD (1942)
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RECORDATION NO. 239.38 FILED
APR 11 '02 3-33 PM
SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

April 10, 2002

Julia Farr, Esq.
Office of Proceedings
Surface Transportation Board
Washington, D.C. 20423

Dear Ms. Farr:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease, dated as of June 15, 2001, 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: Progress Rail Services Corporation dba
Progress Rail Canada
1250 Rene Levesque Boulevard West
Suite 2200
Montreal, Quebec
Canada H3B 4W8

Lessee: Ontario Northland Transportation Commission
555 Oak Street East
North Bay, Ontario
Canada P1B 8L3

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

One hundred (100) boxcars: SLGG 011200 - SLGG 011299 inclusive.

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

23938 333

Julia Farr, Esq.
April 10, 2002
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A short summary of the document to appear in the index is:

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 stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

MEMORANDUM OF LEASE

1. Pursuant to the Master Lease Agreement dated as of June 15, 2001 and the related Schedule No. 1 dated as of June 15, 2001 (collectively, the "Lease Agreement"), between Progress Rail Services Corporation d/b/a Progress Rail Canada, Ltd. ("Lessor"), as Lessor, and Ontario Northland Transportation Commission, ("Lessee"), as lessee, Lessor has leased to Lessee the railroad cars identified on the exhibit attached hereto and entitled "Description of Railcars" (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease."

2. The addresses of the parties are as follows:

Progress Rail Services Corporation d/b/a Progress Rail Canada
1250 Rene Levesque Boulevard West, Suite 2200
Montreal, Quebec
Canada H3B 4W8

Ontario Northland Transportation Commission
555 Oak Street East
North Bay, Ontario P1B 8L3
Canada

3. The terms and provisions of the Lease are more particularly set forth in the Lease Agreement.

4. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on Next Page]

REGISTRATION NO. 239.38 FILED
MAY 11 2002 3:32 PM
SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of

_____.

PROGRESS RAIL SERVICES CORPORATION d/b/a
PROGRESS RAIL CANADA.

BY: Jeff Edelman
Name: Jeffrey Edelman
Title: VP FINANCE

On Aug 21, 2000, before me personally appeared JEFFREY EDELMAN, to me personally known, who being by me duly sworn says that he is V.P. FINANCE of Progress Rail Services Corporation d/b/a Progress Rail Canada, and that he executed the foregoing instrument 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.

William J. Smith
Notary Public
My commission expires:

Notary Public, DeKalb County, Georgia
My Commission Expires May 28, 2012
[NOTARIAL SEAL]

[Execution continued on next page; remainder of this page intentionally left blank]

Description of Railcars

Lessor: Progress Rail Services Corporation d/b/a Progress Rail Canada, Ltd.

Lessee: Ontario Northland Transportation Commission

Number of Cars in Lease: 100

Description of Cars: 100-ton boxcars.

Car Marks and Numbers: Fifty foot 100-ton used cushioned under frame Boxcars.

SLGG	011223	596	Ontario Northland
SLGG	011228	596	Ontario Northland
SLGG	011242	596	Ontario Northland
SLGG	011276	596	Ontario Northland
SLGG	011229	596	Ontario Northland
SLGG	011238	598	Ontario Northland
SLGG	011209	596	Ontario Northland
SLGG	011260	596	Ontario Northland
SLGG	011201	596	Ontario Northland
SLGG	011273	596	Ontario Northland
SLGG	011281	596	Ontario Northland
SLGG	011264	596	Ontario Northland
SLGG	011236	596	Ontario Northland
SLGG	011298	596	Ontario Northland
SLGG	011258	596	Ontario Northland
SLGG	011206	596	Ontario Northland
SLGG	011271	596	Ontario Northland
SLGG	011256	596	Ontario Northland
SLGG	011202	596	Ontario Northland
SLGG	011285	596	Ontario Northland
SLGG	011210	596	Ontario Northland
SLGG	011235	596	Ontario Northland
SLGG	011274	596	Ontario Northland
SLGG	011295	596	Ontario Northland
SLGG	011211	596	Ontario Northland
SLGG	011212	596	Ontario Northland
SLGG	011208	596	Ontario Northland
SLGG	011213	596	Ontario Northland
SLGG	011240	596	Ontario Northland
SLGG	011290	596	Ontario Northland
SLGG	011244	596	Ontario Northland
SLGG	011253	596	Ontario Northland
SLGG	011214	596	Ontario Northland
SLGG	011215	596	Ontario Northland
SLGG	011231	596	Ontario Northland
SLGG	011289	596	Ontario Northland
SLGG	011216	596	Ontario Northland
SLGG	011284	596	Ontario Northland
SLGG	011248	596	Ontario Northland
SLGG	011266	596	Ontario Northland
SLGG	011255	596	Ontario Northland
SLGG	011217	596	Ontario Northland
SLGG	011277	596	Ontario Northland
SLGG	011218	596	Ontario Northland
SLGG	011259	596	Ontario Northland
SLGG	011237	596	Ontario Northland

SLGG	011219	596	Ontario Northland
SLGG	011263	596	Ontario Northland
SLGG	011239	596	Ontario Northland
SLGG	011272	596	Ontario Northland
SLGG	011220	596	Ontario Northland
SLGG	011287	596	Ontario Northland
SLGG	011246	596	Ontario Northland
SLGG	011265	596	Ontario Northland
SLGG	011292	596	Ontario Northland
SLGG	011221	596	Ontario Northland
SLGG	011233	596	Ontario Northland
SLGG	011200	596	Ontario Northland
SLGG	011254	596	Ontario Northland
SLGG	011222	596	Ontario Northland
SLGG	011293	596	Ontario Northland
SLGG	011204	596	Ontario Northland
SLGG	011203	596	Ontario Northland
SLGG	011224	596	Ontario Northland
SLGG	011297	596	Ontario Northland
SLGG	011232	596	Ontario Northland
SLGG	011283	596	Ontario Northland
SLGG	011205	596	Ontario Northland
SLGG	011261	596	Ontario Northland
SLGG	011225	596	Ontario Northland
SLGG	011245	596	Ontario Northland
SLGG	011299	596	Ontario Northland
SLGG	011294	596	Ontario Northland
SLGG	011267	596	Ontario Northland
SLGG	011250	596	Ontario Northland
SLGG	011286	596	Ontario Northland
SLGG	011226	596	Ontario Northland
SLGG	011247	596	Ontario Northland
SLGG	011243	596	Ontario Northland
SLGG	011251	596	Ontario Northland
SLGG	011230	596	Ontario Northland
SLGG	011249	596	Ontario Northland
SLGG	011262	596	Ontario Northland
SLGG	011252	596	Ontario Northland
SLGG	011282	596	Ontario Northland
SLGG	011291	596	Ontario Northland
SLGG	011241	596	Ontario Northland
SLGG	011275	596	Ontario Northland
SLGG	011278	596	Ontario Northland
SLGG	011279	596	Ontario Northland
SLGG	011268	596	Ontario Northland
SLGG	011270	596	Ontario Northland

SLGG	011234	596	Ontario Northland
SLGG	011280	596	Ontario Northland
SLGG	011257	596	Ontario Northland
SLGG	011296	596	Ontario Northland
SLGG	011207	596	Ontario Northland
SLGG	011288	596	Ontario Northland
SLGG	011227	596	Ontario Northland
SLGG	011269	596	Ontario Northland

**Casualty Value Schedule
Upgraded Boxcars**

Period	Casualty Value	
1	\$	53,000
2	\$	52,928
3	\$	52,855
4	\$	52,781
5	\$	52,705
6	\$	52,628
7	\$	52,550
8	\$	52,470
9	\$	52,389
10	\$	52,307
11	\$	52,223
12	\$	52,138
13	\$	52,051
14	\$	51,963
15	\$	51,874
16	\$	51,783
17	\$	51,690
18	\$	51,597
19	\$	51,501
20	\$	51,405
21	\$	51,306
22	\$	51,207
23	\$	51,105
24	\$	51,003
25	\$	50,898
26	\$	50,793
27	\$	50,685
28	\$	50,576
29	\$	50,466
30	\$	50,354
31	\$	50,240
32	\$	50,125
33	\$	50,008
34	\$	49,890
35	\$	49,770
36	\$	49,648