



December 1, 2004



FEDERAL EXPRESS

REGISTRATION NO. 25331 FILED

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

DEC 08 '04 2-36 PM

Dear Mr. Williams:

SURFACE TRANSPORTATION BOARD

Enclosed for recordation is an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Memorandum of Lease, a "primary document" dated May 28, 2004.

The names and addresses of the parties to the document are as follows:

Lessor: **COMMERCE BANK**
7650 Edinborough Way, Suite 150
Edina, Minnesota 55435

Lessee: **PROGRESSIVE RAIL INCORPORATED**
21778 Highview Avenue
Lakeville, Minnesota 55044.

A description of the equipment covered by the document follows:

Sixteen (16) boxcars bearing PGR reporting marks with road mark numbers contained within the Series 1315-1346.

A complete listing of the boxcar numbers is attached hereto as Exhibit A-2.

A short summary of the enclosed "primary document" to appear in the index follows:

Memorandum of Lease

A fee of \$32 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to the undersigned at the above address for the Lessor.

Very truly yours,

James E. Senske
President

Centennial Lakes Office

7650 Edinborough Way
Suite 150 ■ Edina, MN 55435 *JES:nt*
Enclosures

OFFICE: 952/841-9750
FAX: 952/841-9755

www.commercebankmn.com

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MEMORANDUM OF LEASE SURFACE TRANSPORTATION BOARD

Pursuant to that certain Master Equipment Lease dated May 28, 2004 ("Lease") by and between **COMMERCE BANK**, as lessor, and **PROGRESSIVE RAIL INCORPORATED**, as Lessee, Lessor has leased to Lessee the boxcars identified in Exhibit A-2 attached hereto and entitled "Description of Boxcars."

The addresses of the parties are as follows:

Lessor: Commerce Bank
7650 Edinborough Way, Suite 150
Edina, MN 55435

Lessee: Progressive Rail Incorporated
21778 Highview Avenue
Lakeville, MN 55044

The term of the lease of each item of Equipment shall commence on the Commencement Date specified in the Supplement pertaining to such Equipment and, unless earlier terminated pursuant to the provisions thereof, shall continue for the term specified in such Supplement or for such extended term pursuant to the terms of the Lease.

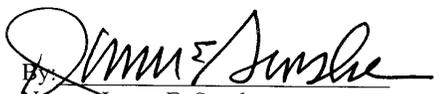
The terms and provisions of the Lease are more particularly set for in the Master Equipment Lease.

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.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of November 29, 2004.

COMMERCE BANK

PROGRESSIVE RAIL INCORPORATED

By: 
Name: James E. Senske
Title: President

By: 
Name: Dave Fellon
Title: President

Exhibit A-2

**Description of Boxcars
Sixteen (16) R610 60' 100-Ton Insulated Boxcars**

Count	Old Car #	New Car #	Count	Old Car #	New Car #
1	HCGX1315	PGR 1315	9	HCGX1331	PGR 1331
2	HCGX1316	PGR 1316	10	HCGX1333	PGR 1333
3	HCGX1317	PGR 1317	11	HCGX1337	PGR 1337
4	HCGX1320	PGR 1320	12	HCGX1339	PGR 1339
5	HCGX1321	PGR 1321	13	HCGX1340	PGR 1340
6	HCGX1323	PGR 1323	14	HCGX1341	PGR 1341
7	HCGX1325	PGR 1325	15	HCGX1345	PGR 1345
8	HCGX1329	PGR 1329	16	HCGX1346	PGR 1346

CORPORATE FORM OF ACKNOWLEDGEMENT

I, **James E. Senske**, certify that I am President of Commerce Bank, that the seal affixed to the forgoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on November 29, 2004


Signature

State of Minnesota
County of Hennepin ss:

On this 29th day of November, 2004 before me personally appeared **James E. Senske**, to me personally known, who being by me duly sworn, says that he is the **President** of **Commerce Bank**, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

No Seal

Signature of Notary Public Nance D. Torrence

My commission expires January 31, 2008

