

LAW OFFICES  
**MILES & STOCKBRIDGE**

A PROFESSIONAL CORPORATION

10 LIGHT STREET  
BALTIMORE, MARYLAND 21202-1487

TELEPHONE 410-727-6464  
FAX 410-385-3700

CAMBRIDGE, MD  
COLUMBIA, MD  
EASTON, MD  
FREDERICK, MD

McLEAN, VA  
ROCKVILLE, MD  
TOWSON, MD  
WASHINGTON, D.C.

JOHN A. STALFORD  
410-385-3424

July 9, 1999



**via FEDERAL EXPRESS**

Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001  
Attention: Mr. Vernon A. Williams, Secretary

Re: Our File No.: 258-1965

RECORDATION NO. 22248, A, B, C FILED

JUL 13 '99

9-45 AM

Dear Mr. Williams:

Enclosed for recordation as primary documents pursuant to the provisions of 49 U.S.C. §11301(a) are two originals of each of the following documents:

- Bill of Sale** dated June 28, 1999 by and between National Steel Car Limited, 602 Kenilworth Avenue North, Hamilton, Ontario, L8N 3J4 Canada, and Allfirst Bank, 25 S. Charles Street, Baltimore, Maryland 21201. # 32 4646
- Memorandum of Lease** dated June 28, 1999 by and between Allfirst Bank, 25 S. Charles Street, Baltimore, Maryland 21201 and Progress Rail Services Corporation, d/b/a Progress Rail Canada, 1000 Sherbrooke Street, West, 24<sup>th</sup> Floor, Montreal, Quebec H3H 2R9I. # 32 4652
- Memorandum of Lease** dated June 28, 1999 by and between Allfirst Bank, 25 S. Charles Street, Baltimore, Maryland 21201 and Progress Rail Services Corporation, d/b/a Progress Rail Canada, 1000 Sherbrooke Street, West, 24<sup>th</sup> Floor, Montreal, Quebec H3H 2R9I. # 32 4647
- Memorandum of Lease** dated June 28, 1999 by and between Progress Rail Services Corporation, d/b/a Progress Rail Canada, 1000 Sherbrooke Street, West, 24<sup>th</sup> Floor, Montreal, Quebec H3H 2R9, and Canadian National Railway Company, 935 de LaGauchetiere West, Montreal, Quebec H3B 2M9. # 32 4648

A

Lead

B

MILES & STOCKBRIDGE P.C.

5. **Memorandum of Lease** dated June 28, 1999 by and between Progress Rail Services Corporation, d/b/a Progress Rail Canada, 1000 Sherbrooke Street, West, 24<sup>th</sup> Floor, Montreal, Quebec H3H 2R9 and Canadian National Railway Company, 935 de LaGauchetiere West, Montreal, Quebec H3B 2M9. # 324649

Enclosed for recordation as secondary documents pursuant to the provisions of 49 U.S.C. §11301(a) are two originals of each of the following documents:

- C
6. **Memorandum of Collateral Assignment of Lease** dated June 28, 1999, by and between Allfirst Bank, 25 S. Charles Street, Baltimore, Maryland 21201 and Progress Rail Services Corporation, d/b/a Progress Rail Canada, 1000 Sherbrooke Street, West, 24<sup>th</sup> Floor, Montreal, Quebec H3H 2R9, recorded with the Surface Transportation Board and the Registrar General. # 324650
7. **Memorandum of Collateral Assignment of Lease** dated June 28, 1999, by and between Allfirst Bank, 25 S. Charles Street, Baltimore, Maryland 21201 and Progress Rail Services Corporation, d/b/a Progress Rail Canada, 1000 Sherbrooke Street, West, 24<sup>th</sup> Floor, Montreal, Quebec H3H 2R1. # 324651

The railroad equipment covered by documents 1, 2, 4 and 6 above are 240 73' centerbeam cars with 286,000 lbs. gross rail load, bearing the reporting marks and numbers CN, 624200 – 624439, inclusive.

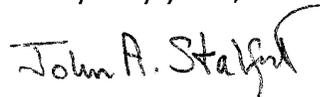
The railroad equipment covered by documents 3, 5, and 7 above are 160 73' centerbeam cars with 286,000 lbs. gross rail load, bearing the reporting marks and numbers CN 624440 – 624599, inclusive.

Also enclosed is a check to cover the costs of recording the enclosed documents.

Upon recordation, please return the recorded documents to the undersigned.

Thank you for your kind attention to this matter. Should you have any questions, please do not hesitate to call me at 410-385-3424.

Very truly yours,



John A. Stalfort

JAS/sl  
Enclosures

MEMORANDUM OF LEASE

JUL 13 '99

9-45AM

1. Pursuant to the Master Lease Agreement dated as of June 28, 1999 (the Lease Agreement ) between Allfirst Bank ("Allfirst"), as lessor, and Progress Rail Services Corporation d/b/a Progress Rail Canada ( PR ), as lessee, Allfirst has leased to PR two hundred forty (240) 73' centerbeam cars with 286,000 lbs. gross rail load, bearing the reporting marks and numbers CN 624200 - 624439 inclusive (the Cars ). The above-referenced lease of the Cars is referred to hereinafter as the Lease. (PR intends to further sublease the Cars to Canadian National Railway Company, a memorandum of which lease shall be separately recorded.)

2. The addresses of the parties are as follows:

Allfirst Bank (Lessor)  
25 South Charles Street  
Mail Code 101-460  
Baltimore, Maryland 21201  
Attention: Manager – Rail Transportation Group

Progress Rail Services Corporation d/b/a Progress Rail Canada (Lessee)  
1000 Sherbrooke Street West, 24<sup>th</sup> Floor  
Montreal, Quebec  
Canada H3H 2R9  
Attention: Chief Financial Officer

3. The term of the Lease is for ten years beginning on July 1, 1999 subject to an option to terminate the Lease effective as of June 30, 2005.

4. The terms and provisions of the Lease are more particularly set forth in the above-referenced Lease Agreement, which is hereby incorporated by reference.

5. The parties intend the Lease and the transactions contemplated thereby to create a true lease. If it should nonetheless be determined that the transaction is a sale, then Lessee shall be deemed to have granted the lessor a security interest in the Cars (to secure the full payment and performance of all of Lessee's obligations under the Lease), and the lessor shall be entitled to all rights and remedies of a secured party under all applicable laws, including the Uniform Commercial Code.

6. 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; remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of June 28, 1999.

ALLFIRST BANK

By: J. Mitchell Crook  
Name: J. Mitchell Crook  
Title: Senior Vice President

State of Maryland City of Baltimore

On June 28, 1999, before me personally appeared J. Mitchell Crook, to me personally known, who being by me duly sworn says that he is Sr. Vice President of Allfirst Bank, 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.

Deborah J. Hooper  
Notary Public  
My commission expires: 7/1/02

[NOTARIAL SEAL]



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

PROGRESS RAIL SERVICES CORPORATION  
d/b/a Progress Rail Canada

By: Ralph S. Mucci  
Name: Ralph S. Mucci  
Title: Vice President and General Counsel

STATE OF FLORIDA  
COUNTY OF PINELLAS

On June 28, 1999, before me personally appeared Ralph S. Mucci, to me personally known, who being by me duly sworn says that he is Vice President and General Counsel 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.

Pauline M. Fry  
Notary Public  
My commission expires:

[NOTARIAL SEAL]



Pauline M. Fry  
MY COMMISSION # CC767264 EXPIRES  
October 31, 2002  
BONDED THRU TROY FAIN INSURANCE, INC.