

OBER, KALER, GRIMES & SHRIVER

ATTORNEYS AT LAW

120 EAST BALTIMORE STREET
BALTIMORE, MARYLAND 21202-1643

(410) 685-1120

FACSIMILE (410) 547-0699

CABLE "RITNEY"

TELEX 8-7774

EDWARD K. GROSS
DIRECT DIAL NUMBER
(410) 347-7367

OFFICES IN
WASHINGTON, D. C.
NEW YORK
NEW JERSEY

RECORDATION NO. **18076** FILED 1992

DEC 31 1992 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

December 31, 1992

VIA HAND DELIVERY

Mr. Sidney L. Strickland
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) are one original and one copy of the Assignment of Lease dated as of December 4, 1992 (the "Assignment"). The Assignment relates to an Equipment Lease and Lease Supplement No. 1 thereto, both dated as of December 4, 1992 (collectively, the "Lease"), which Lease was duly filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 on December __, 1992, under Recordation No. _____. The Lease is a primary document, and the Assignment is a secondary document, as such terms are respectively defined in the Commission's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed Assignment are:

Lessor: The First National Bank of Maryland
Transportation Division
25 S. Charles Street
Baltimore, Maryland 21201

Assignor: British Columbia Railway Company
221 West Esplanade
North Vancouver, British Columbia
V6B 4X6

OBER, KALER, GRIMES & SHRIVER

Mr. Sidney L. Strickland
December 31, 1992
Page 2

Assignee: BC Rail Ltd.
221 West Esplanade
North Vancouver, British Columbia
V6B 4X6

A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 attached hereto and made a part hereof.

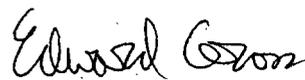
Also enclosed is our check in the amount of \$16.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a file-stamped copy of the enclosed document to Edward K. Gross, Esquire, Ober, Kaler, Grimes & Shriver, 120 East Baltimore Street, 9th Floor, Baltimore, Maryland 21202-1643.

A short summary of the enclosed secondary document to appear in the Commission's Index is:

Assignment of Lease dated as of December 4, 1992, by and among The First National Bank of Maryland, as Lessor, British Columbia Railway Company, as Assignor, and BC Rail Ltd., as Assignee, relating to Equipment Lease and Lease Supplement No. 1 thereto, both dated as of December 4, 1992, by and between The First National Bank of Maryland, as Lessor, and British Columbia Railway Company, as Lessee, covering two hundred one (201) seventy-one (71) foot center beam bulkhead flat cars and two (2) seventy-three (73) foot center beam bulkhead flat cars now owned by the Lessor, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed on any item thereof which are or become the property of the Lessor pursuant to the terms of the Equipment Lease.

Very truly yours,



Edward K. Gross

EKG/dmd
Enclosures

SCHEDULE 1
(to Letter to S. L. Strickland
dated December 31, 1992)

DESCRIPTION OF ITEMS OF EQUIPMENT

Description and Mark and Number of Items of Equipment:

1. Two hundred and one (201) Seventy-one (71) foot center beam bulkhead flat cars
Seller: Northwestern Oklahoma Railroad Co.
Marks: BCIT 871000 through and including BCIT 871149, and BCIT 871200 through and including BCIT 871259 (excluding, however, BCIT 871005, BCIT 871030, BCIT 871034, BCIT 871073, BCIT 871079, BCIT 871094, BCIT 871104, BCIT 871219 and BCIT 871256)

2. Two (2) Seventy-three (73) foot center beam bulkhead flat cars
Seller: Northwestern Oklahoma Railroad Co.
Marks: BCIT 873950 and BCIT 873951

DEC 31 1992-10 55 AM

ASSIGNMENT OF LEASE

INTRASTATE COMMERCE COMMISSION

4 THIS ASSIGNMENT OF LEASE (the "Agreement") made the day of December, 1992,

BETWEEN:

BRITISH COLUMBIA RAILWAY COMPANY, a corporation incorporated by special act of the legislature of the Province of British Columbia with an office at 221 West Esplanade, North Vancouver, British Columbia,

(the "Assignor")

AND:

BC RAIL LTD., a corporation incorporated under the Company Act of British Columbia having an office at 221 West Esplanade, North Vancouver, British Columbia,

(the "Assignee")

AND:

THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, with an office at 25 South Charles Street, Baltimore, Maryland, U.S.A.

(the "Lessor")

WHEREAS:

A. The Assignor entered into an equipment lease (the "Lease") dated as of December 4th, 1992 with the Lessor in respect of 201 - 71 foot centerbeam bulkhead flat cars and 2 - 73 foot centerbeam bulkhead flat cars for an 11.5 year term at an annual aggregate cost of U.S.\$925,680;

B. The Assignor wishes to assign to the Assignee the Assignor's interest to and under the Lease and the Assignee agrees to such assignment; and

C. Pursuant to section 17.1 of the Lease, the Lessor has given its prior written consent to the assignment of the Assignor's interest to and under the Lease to the Assignee,

NOW THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein and other good and valuable consideration the parties hereto covenant and agree as follows:

1. The Assignor hereby assigns to the Assignee all of the Assignor's right, title and interest in, to and under the Lease.

2. The Assignee hereby accepts such assignment and agrees to assume all the covenants, duties and obligations to be observed and performed by the Assignor pursuant to the Lease on or after the date hereof and the Assignee covenants with the Assignor and the Lessor that the Assignee will duly observe and perform such covenants, duties and obligations from and after the date hereof.

3. This Agreement will enure to the benefit of and be binding upon the respective successors and assigns of the parties.

4. Notwithstanding that the Lease shall be construed in accordance with the internal laws and decisions (as opposed to conflicts of law provisions) of the State of Maryland, this Agreement is to be interpreted and the obligations of the parties hereunder with respect to this Agreement are to be determined in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

5. Each party will execute and deliver such further agreements and other documents and do such further acts and things as any other party reasonably requests to evidence, carry out or give full force and effect to the intent of this Agreement.

6. This Agreement is made pursuant to and subject to the provisions of the Lease.

Notwithstanding said assignment, nothing contained herein shall relieve Assignor of its obligations to Lessor as set forth in the Lease.

EXECUTED by the parties hereto on the day and year first above written.

BRITISH COLUMBIA RAILWAY COMPANY

By: *Paul M. Lead, Jr.* - *R.W. Young*
Name: A.J. McELGOTT R.W. Young
Position: PRESIDENT CORPORATE SECRETARY

BC RAIL LTD.

By: *Paul M. Lead, Jr.* - *R.W. Young*
Name: A.J. McELGOTT R.W. Young
Position: PRESIDENT CORPORATE SECRETARY

THE FIRST NATIONAL BANK OF MARYLAND

By: *Paul M. Lead, Jr.*
Name: Paul M. LEAD, JR
Position: Transportation Executive