

LAW OFFICES
MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

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

10 LIGHT STREET
BALTIMORE, MARYLAND 21202-1487
TELEPHONE 410-727-6464
FAX 410-385-8700

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

JOHN A. STALFORT
410-385-3424

December 8, 1998

RECORDATION NO. 21851 FILED

via FEDERAL EXPRESS

DEC 9 '98 2-58 PM

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-001
Attention: Mrs. Janice Fort

Re: Our File No.: 258-1903

Dear Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Bill of Sale effective as of November 30, 1998 by Progress Rail Services Corporation (P.O. Box 1037, Albertville, Alabama 35950) in favor of The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201)

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

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

Thank you for your prompt attention to this matter. Please call me at (800) 344-2532 if you have any questions.

Sincerely,



Michele E. Sperato
Assistant to John A. Stalfort

Enclosure

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STATE OF MARYLAND
SS:
CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Bill of Sale is a true and complete copy of said Bill of Sale.

WITNESS my hand and seal this 8th day of December, 1998.

Michelle E. Sperato
Notary Public

My Commission Expires: January 28, 2001

BILL OF SALE

DEC 9 '98

2-58 PM

For value received, and pursuant to the Assignment Agreement dated as of November 30, 1998, between Railcar, Ltd. ("LTD"), Progress Rail Services Corporation ("PRSC"), and The First National Bank of Maryland ("FM") (the "Assignment Agreement"), PRSC hereby sells, transfers, and delivers to FM, its successors and assigns, all of PRSC's right, title and interest in and to the equipment described in Schedule I attached hereto (the "Equipment").

The Equipment is being sold on an "AS IS, WHERE IS" basis. PRSC MAKES NO WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WITH RESPECT TO THE EQUIPMENT EXCEPT THAT (1) FM WILL ACQUIRE GOOD TITLE TO THE EQUIPMENT FREE FROM ANY AND ALL ENCUMBRANCES, LIENS AND OTHER DEFECTS OF TITLE, EXCEPT AS MAY BE DESCRIBED ON SCHEDULE II ATTACHED HERETO, AND (2) PRSC IS THE LAWFUL OWNER OF THE EQUIPMENT AND HAS FULL RIGHT AND AUTHORITY TO SELL THE EQUIPMENT TO FM AND (3) SUCH OTHER WARRANTIES AS MAY BE SET FORTH IN THE ASSIGNMENT AGREEMENT. PRSC DOES NOT MAKE, AND HEREBY EXPRESSLY DISCLAIMS, ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY, CONTENT, OR CONDITION OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

PRSC does for itself and its successors and assigns covenant and agree with FM to warrant and defend title to the Equipment hereby sold to FM, its successors and assigns against all and every person and persons whomsoever, except those whose interest arises by, through, or under the lessee identified on Schedule II attached hereto as lessee of the Equipment.

Notwithstanding anything herein to the contrary, this transfer is subject to the lease agreement identified on Schedule II attached hereto, as amended to date.

EXECUTED under seal effective as of as of November 30, 1998.

PROGRESS RAIL SERVICES CORPORATION

By: Michael V. Bombino (SEAL)
Michael V. Bombino, Senior Vice President and
Chief Financial Officer

STATE OF ALABAMA
COUNTY OF MARSHALL

On November 30, 1998, before me personally appeared Michael V. Bombino, to me personally known, who being by me duly sworn says that he is Senior Vice President and Chief Financial Officer of Progress Rail Services Corporation, an Alabama corporation, 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.

Diane W. Eakin
Notary Public
My commission expires: June 30, 2001

[NOTARIAL SEAL]

SCHEDULE I

to Bill of Sale Dated as of November 30, 1998
executed by Progress Rail Services Corporation
in favor of The First National Bank of Maryland

Description of Equipment

The equipment described in the attachment entitled "Description of Railcars."

DESCRIPTION OF RAILCARS

Lessee: The Texas Mexican Railway Company

Number of Cars in Lease: 60

Description of Cars: 100-ton, three pocket Eastern style open top hoppers

Car Marks and Numbers:

TM 1700- 1759 Inclusive

SCHEDULE II

to Bill of Sale Dated as of November 30, 1998
executed by Progress Rail Services Corporation
in favor of The First National Bank of Maryland

Identification of Lessee and Lease

Master Lease Agreement dated as of September 15, 1995 and the related Schedule No. 1 dated as of September 15, 1995, between Railcar, Ltd. (as agent for owner, namely, Progress Rail Services Corporation), as lessor, and The Texas Mexican Railway Company, as lessee