RECORDATION NO. 22526 FILED

NOV 17 '99 11-00AM

CUSHING, MORRIS, ARMBRUSTER & JONES, LLP
ATTORNEYS AT LAW
2110 PEACHTREE CENTER INTERNATIONAL TOWER
229 PEACHTREE STREET, N.E.
ATLANTA, GEORGIA 30303

WRITER'S DIRECT DIAL NUMBER
(404) 614-8105

TELEPHONE
404 521-2323

TELECOPIERS
404 658-9865
404 522-0607

RECEIVED NOV 9 1999 MAIL MANAGEMENT STB

November 8, 1999

VIA FEDERAL EXPRESS
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 715
Washington, D.C. 20423-0001
Attention: Recordation Unit

Re: Railcar, Ltd. / Canadian National 450 50 ft. 100-ton, plate C boxcars

Dear Secretary:

On behalf of Progress Rail Services Corporation d/b/a Progress Rail Canada, I am submitting for recording an original and three counterparts of a primary document, not previously recorded, entitled "Memorandum of Lease" dated as of April 1, 1999. Also enclosed are a check for $26 payable to "Surface Transportation Board" and two copies of this letter of transmittal.

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

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

Canadian National Railway Company (Lessee)
935 de La Gauchetiere Street West
Montreal, Quebec, Canada H3B 2M9
Attention: Senior Manager-Asset Finance

The equipment covered by the document is 450 50 ft. 100-ton, plate C boxcars bearing the reporting marks and numbers SLGG 10000-10449 inclusive.

A short summary of the document to appear in the index is as follows: "Lease between Progress Rail Services Corporation d/b/a Progress Rail Canada, 1000 Sherbrooke Street West, 24th Floor, Montreal, Quebec, Canada H3H 2R9, Attention: Chief Financial Officer, as lessor, and Canadian National Railway Company, 935 de La Gauchetiere Street West, Montreal, Quebec, Canada H3B 2M9, Attention: Senior Manager-Asset Finance, as lessee, dated as of April 1, 1999,

and covering four hundred fifty (450) 50 ft. 100-ton, plate C, boxcars bearing the reporting marks and numbers SLGG 10000-10449 inclusive."

Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra counterparts not needed by the STB, together with the fee receipt, the letter from the STB acknowledging the filing, and the two copies of this letter of transmittal.

Very truly yours,

Bill Ellard

William M. Ellard

WME/lf
Enclosures

DATION NO. 22526 FILED
11 7 '99 11-00 AM

MEMORANDUM OF LEASE

1. Pursuant to a Lease Agreement dated as of April 1, 1998, as amended by an Agreement to Lease Agreement dated as of April 1, 1999, between Progress Rail Services Corporation d/b/a Progress Rail Canada ("PRSC"), as lessor, and Canadian National Railway Company ("Lessee"), as lessee, PRSC has leased four hundred fifty (450) 50 ft. 100-ton, Plate C boxcars with rigid underframes and 10 ft. sliding doors, having a minimum load limit of 195,000 lbs., built in 1968, meeting specifications described in an exhibit to the Lease Agreement, and bearing the reporting marks and numbers SLGG 10 000-10 449 inclusive (the "Cars").

2. The addresses of the parties are as follows:

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

Canadian National Railway Company (Lessee)
935 de La Gauchetiere Street West
Montreal, Quebec, Canada H3B 2M9
Attention: Senior Manager – Asset Finance

RECORDATION NO. FILED
NOV 17 '99 11-00 AM

3. The term of the lease has already commenced and is scheduled to end on March 31, 2009, subject to options to extend the term for two successive periods of two years each.

4. The terms and provisions of the lease are more particularly set forth in the Lease Agreement and the Amendment to Lease Agreement, which are 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.

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 April 1, 1999.

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

By: Michael V. Bombino
Name: Michael V. Bombino
Title: Senior Vice President and CFO

STATE OF ALABAMA
COUNTY OF MARSHALL

On November 4, 1999, 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 CFO 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.

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

[SEAL]

DIANE W. EAKIN NOTARY PUBLIC ALABAMA STATE AT LARGE

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

CANADIAN NATIONAL RAILWAY COMPANY

By: Sean Finn
Name: SEAN FINN
Title: TREASURER AND PRINCIPAL TAX COUNSEL

Province of Quebec, District of Montreal

On October 27, 1999, before me personally appeared Sean Finn, to me personally known, who being by me duly sworn says that he is Treasurer & P.T.C. of Canadian National Railway Company, 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.

JOHN LAMONT
Commissioner for Oaths
Commissaire à l'Assermentation
Province of Quebec
Expires September 14, ~~1995~~ 2001

John Lamont
Commissioner for Oaths
My commission expires: 9/14/01

[SEAL]

S:\Docs\0689\001\5memo-amd-lse-prsc-cn-2.doc