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MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

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JOHN A. STALFORT
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 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:

1. **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. # 324646
2. **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, 24th Floor, Montreal, Quebec H3H 2R9I. # 324652
3. **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, 24th Floor, Montreal, Quebec H3H 2R9I. # 324647
4. **Memorandum of Lease** dated June 28, 1999 by and between Progress Rail Services Corporation, d/b/a Progress Rail Canada, 1000 Sherbrooke Street, West, 24th Floor, Montreal, Quebec H3H 2R9, and Canadian National Railway Company, 935 de LaGauchetiere West, Montreal, Quebec H3B 2M9. # 324648

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, 24th 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:

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, 24th 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, 24th 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

John A. Stalfort

JAS/sl
Enclosures

MEMORANDUM OF LEASE

JUL 13 '99 9-45 AM

1. Pursuant to the Master Lease Agreement dated as of June 1, 1998, and the related Schedule No. 2 dated as of June 28, 1999 (the Lease Agreement), between Progress Rail Services Corporation d/b/a Progress Rail Canada (PR), as lessor, and Canadian National Railway Company (Lessee), as lessee, PR has leased to Lessee 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.

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

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 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.

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.

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.

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

CANADIAN NATIONAL RAILWAY COMPANY

By: Sean Finn
Name: Sean Finn
Title: Treasurer & Principal
Tax Counsel

Province of Quebec, District of Montreal

On June 28, 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]