

RECORDATION NO. 22308 + A
JUL 30 1999 2:35 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

July 30, 1999

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of July 30, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents, and a Memorandum of Collateral Assignment, dated as of July 30, 1999, a secondary document related thereto.

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

Lessor/Assignor: Bank Austria Creditanstalt Holdings Corporation
2 Greenwich Plaza
Greenwich, Connecticut 06830

Lessee/Assignee: Progress Rail Services Corporation
d/b/a Progress Rail Canada
1000 Sherbrooke Street West, 24th Floor
Montreal, Quebec Canada H3H 2R9

A description of the railroad equipment covered by the enclosed documents is:

two hundred (200) railcars bearing SLGG reporting marks and road numbers 86100 through 86259, inclusive and 86300 through 86339, inclusive

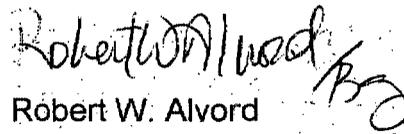
Patricia J. Jones

Mr. Vernon A. Williams
July 30, 1999
Page 2

Also enclosed is a check in the amount of \$52.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,


Robert W. Alvord

RWA/bg
Enclosures

REGISTRATION NO. 22313-1

JUL 30 1999

4:06 PM

MEMORANDUM OF COLLATERAL ASSIGNMENT

This Memorandum of Collateral Assignment is made and entered into as of July 30, 1999, by and between BANK AUSTRIA CREDITANSTALT HOLDINGS CORPORATION (hereinafter referred to as "Assignee") and PROGRESS RAIL SERVICES CORPORATION d/b/a PROGRESS RAIL CANADA (hereinafter referred to as "Assignor"), respecting that certain Collateral Assignment Agreement (the "Collateral Assignment") dated as of July 30, 1999 between the Assignor and the Assignee.

The Assignor and the Assignee hereby acknowledge and affirm that:

1. The Assignor is a party to the Master Lease Agreement (the "Agreement") dated as of July 1, 1999 between Assignor as lessor and Quebec Gatineau Railway Inc. ("QGR") as lessee, and the Schedule No. 1 thereto, dated July 30, 1999 ("Schedule No. 1" and collectively with the Agreement, the "Sublease"), between Lessor and Lessee, pursuant to which the Assignor is leasing to QGR 200 50'6", 100 ton Plate F, all steel boxcars with 10' Plug Doors and 15" end of car cushioning which are currently operating under SLGG reporting marks within the series 86100 to 86259 inclusive and 86300 to 86339 inclusive.
2. Pursuant to the terms of the Collateral Assignment the Assignor has assigned the Sublease to the Assignee.
3. This Memorandum of Collateral Assignment is not a summary of the Collateral Assignment nor a complete recitation of the terms and provisions thereof. Accordingly, the Assignor and the Assignee hereby agree that in the event of a conflict between this Memorandum of Collateral Assignment and the provisions of the Collateral Assignment, the provisions of the Collateral Assignment shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Collateral Assignment to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

LESSOR:

LESSEE:

BANK AUSTRIA CREDITANSTALT
HOLDINGS CORPORATION

PROGRESS RAIL
SERVICES CORPORATION d/b/a
PROGRESS RAIL CANADA

By: [Signature]
Name: M. Roy Gosse
Title: Vice President

By: _____
Name: _____
Title: _____

By: [Signature]
Name: JOHN M. SASSINA
Title: VICE PRESIDENT

STATE OF CONNECTICUT)
)
COUNTY OF Fairfield) SS:

On this 29th of July, 1999, before me personally appeared Roy G. Osse Lynn Sussina, to me personally known, who being duly sworn, says that ~~he is a~~ THEY ARE VICE PRESIDENTS of BANK AUSTRIA CREDITANSTALT HOLDINGS CORPORATION, a Delaware corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Virginia A. Laversa
Notary Public

[NOTARIAL SEAL]

My Commission Expires:
VIRGINIA A. LAVERSA
NOTARY PUBLIC
MY COMMISSION EXPIRES JAN. 31, 2001

STATE OF GEORGIA)
)
COUNTY OF _____) SS:

On this ____ of _____, 1999, before me personally appeared _____, to me personally known, who being duly sworn, says that he is an _____ of PROGRESS RAIL SERVICES CORPORATION d/b/a PROGRESS RAIL CANADA, an Alabama corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My Commission Expires:

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Collateral Assignment to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

LESSOR:

LESSEE:

BANK AUSTRIA CREDITANSTALT
HOLDINGS CORPORATION

PROGRESS RAIL
SERVICES CORPORATION d/b/a
PROGRESS RAIL CANADA

By: _____

By: Michael V. Bombino

Name: _____

Name: Michael V. Bombino

Title: _____

Title: SRVP + CFO

By: _____

Name: _____

Title: _____

