

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON
ATTORNEYS AT LAW

815 CONNECTICUT AVENUE, NW
WASHINGTON, DC 20008-4004
(202) 463-2400
FAX (202) 828-5393

ONE CENTURY PLAZA - SUITE 3300
2029 CENTURY PARK EAST
LOS ANGELES, CA 90067-3063
(310) 277-7200
FAX (310) 201-5218

900 THIRD AVENUE
NEW YORK, NY 10022-4728
(212) 715-9000
FAX (212) 752-3116

101 CALIFORNIA STREET - SUITE 2900
SAN FRANCISCO, CA 94111 5958
(415) 397-2823
FAX (415) 397-6549

55 EAST MONROE STREET - SUITE 4200
CHICAGO, ILLINOIS 60603-5803
(312) 346-8000
FAX (312) 269-8869

WRITERS DIRECT DIAL
269-8886
(312) _____

400 CAPITOL MALL - SUITE 2350
SACRAMENTO, CA 95814-4420
(916) 558-4828
FAX (916) 558-4839

700 LOUISIANA STREET - SUITE 3900
HOUSTON, TX 77002-2731
(713) 225-2300
FAX (713) 225-2340

INTERNATIONAL

AVENUE LOUISE 500, BOÎTE 8
1050 BRUSSELS, BELGIUM
TELEPHONE (32) (2) 647.60 25
FAX (32) (2) 640 70 71

AFFILIATE FIRM

MATRAY MATRAY & HALLET
BRUSSELS AND LIEGE, BELGIUM
STROGNE, GERMANY

July 25, 1996

RECORDATION NO. _____

FILED 1487

20197

JUL 26 1996 - 10 36 AM

VIA FEDERAL EXPRESS

Secretary
Surface Transportation Board
12th and Constitution
Room 2311
Washington, DC 20423

Attention: DOCUMENT FOR RECORDATION

Re: American Railcar Leasing Partners / BC Rail Ltd.

Dear Secretary:

I am an attorney representing a party to the enclosed document. I have enclosed one original of the document described below, and two certified copies, to be recorded pursuant to Section 11301 of Title 49 of the United States Code and the regulations adopted thereto.

The document is:

Memorandum of Lease Agreement, a primary documents, dated as of May 1, 1996.

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

Lessor:

American Railcar Leasing Partners, an Illinois partnership
570 Lake Cook Road
Deerfield, Illinois 60015, USA

INTERSTATE COMMERCE COMMISSION

JUL 26 10 36 AM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

Surface Transportation Board
July 25, 1996
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Lessee:

BC Rail Ltd., a British Columbia corporation
221 West Esplanade
Vancouver, British Columbia, V6B 4X6, CANADA

A description of the equipment covered by the foregoing document follows:

One hundred (100) 73 foot centerbeam bulkhead railroad flat cars, built in 1995 and 1996 by National Steel Car, bearing running marks and numbers BCOL 783500 through BCOL 783599 (inclusive)

A fee of \$21.00 is enclosed. Please return any extra copies not needed by the Commission for recordation and the enclosed copy of this letter, each stamped with your recordation number to:

Richard Demarest Yant
Seyfarth, Shaw Fairweather & Geraldson
55 East Monroe Street
Chicago, Illinois 60063

A short summary of the document to appear in the index follows:

Memorandum Lease from American Railcar Leasing Partners, Deerfield, Illinois, to BC Rail Ltd., Vancouver, British Columbia, Canada, dated May 1, 1996, and covering 100 centerbeam bulkhead flat cars, marked and numbered BCOL 783500 through BCOL 783599 (inclusive).

Yours very truly,

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

By


Richard Demarest Yant

Enclosures

cc: Jay Bronson
Harvey Kinzelberg

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

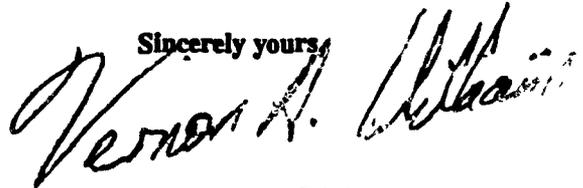
7/26/96

Richard Demarest Yant
Seyfarth, Shaw Fairweather & Geraldson
55 East Monroe Street
Chicago, Illinois 60063

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/26/96 at 10:40AM, and assigned recordation number(s). 20197.

Sincerely yours,

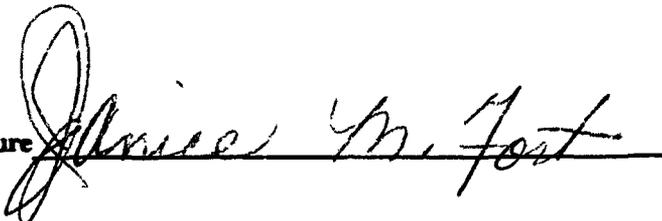


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDATION FILED 20197 FILED 1425

JUL 26 1996 10:49 AM

INTERSTATE COMMISSION

**MEMORANDUM
OF
LEASE AGREEMENT**

THIS MEMORANDUM OF LEASE AGREEMENT is intended to evidence the Lease Agreement dated as of September 25, 1995, as extended by the Lease Extension dated as of May 1, 1996, (as so extended, the "Lease"), between AMERICAN RAILCAR LEASING PARTNERS, an Illinois partnership, located at 570 Lake Cook Road, Suite 405, Deerfield, Illinois 60015, USA, as lessor ("Lessor"), and BC RAIL LTD. , a British Columbia corporation, located at 221 West Esplanade, Vancouver, British Columbia, V6B 4X6, CANADA, as lessee ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under 49 USC §11301 and with the Registrar General under the Railway Act of Canada. The Lessor is the owner of the centerbeam bulkhead flat cars, more fully described in Exhibit A hereto (the "Units"). The Lessee leased all of the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Memorandum of Lease Agreement to be duly executed as of the date first above written.

AMERICAN RAILCAR LEASING PARTNERS, an Illinois partnership

BC RAIL LTD.,
a British Columbia corporation

By First Pacific Railcar Corporation,
general partner

By: Jay Bronson
Title: PRESIDENT

By: [Signature]
Title: Pres

By Sequel Transportation Leasing Corporation,
general partner

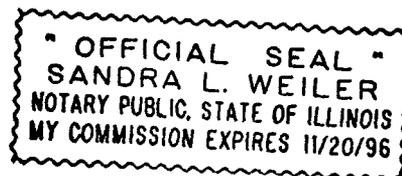
By: [Signature]
Title: PRESIDENT

STATE OF Illinois)
COUNTY OF Lake) ss:

On this 28 day of June, 1996, before me personally appeared JAY BRONSON, to me personally known, who being by me duly sworn says that such person is _____ President of First Pacific Railcar Corporation, general partner of AMERICAN RAILCAR LEASING PARTNERS, that the foregoing Lease Agreement was signed on behalf of said partnership by authority, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

Sandra L. Weiler
Notary Public

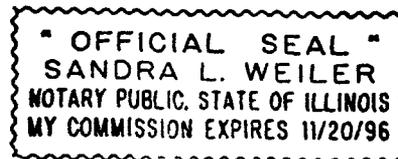
STATE OF Illinois)
COUNTY OF Lake) ss:



On this 28 day of June, 1996, before me personally appeared HARVEY KINZELBERG, to me personally known, who being by me duly sworn says that such person is _____ President of Sequel Transportation Leasing Corporation, general partner of AMERICAN RAILCAR LEASING PARTNERS, that the foregoing Lease Agreement was signed on behalf of said partnership by authority, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

Sandra L. Weiler
Notary Public

PROVINCE OF BRITISH COLUMBIA)
COUNTY OF CANADA) ss:



On this 5TH day of JUNE, 1996, before me personally appeared P.J. McELIGOTT, to me personally known, who being by me duly sworn says that such person is _____ President of BC RAIL LTD., that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

R.W. Young
Notary Public
R.W. YOUNG #96/0389
A Commissioner For Taking Affidavits
For British Columbia

**EXHIBIT A
TO
MEMORANDUM OF LEASE AGREEMENT**

EQUIPMENT

One hundred (100) 73 foot centerbeam bulkhead railroad flat cars, built in 1995 and 1996 by National Steel Car

Running marks and numbers:

BCOL 783500 through BCOL 783599 (inclusive)

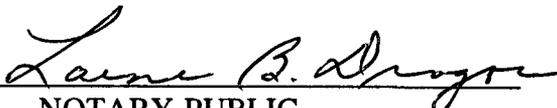
CERTIFIED COPY

I, Richard Demarest Yant, the undersigned affiant, certify and affirm that I have compared the attached copy with the original and have found the copy to be complete and identical in all respects to the original document.



STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

The foregoing instrument was acknowledged before me this 25th day of July, 1996,
by Richard Demarest Yant.



NOTARY PUBLIC

