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July 20, 2001



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Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, D.C. 20423-0001
Attention: Recordation Unit

Re: Railcar, Ltd. / Illinois Central 100 73' Centerbeam Cars

Dear Secretary:

On behalf of Railcar, Ltd., I am submitting for recording an original and three counterparts of a primary document, not previously recorded, entitled "Memorandum of Lease Schedule No. 1" dated as of December 31, 1999. Also enclosed is a check for \$28 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:

Railcar, Ltd. (Lessor)
Suite 425
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847
Attention: Chief Financial Officer

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

RECORDATION NO. 23573 FILED

JUL 31 01 11-18 AM
TS
SURFACE TRANSPORTATION BOARD

The equipment covered by the document is 100 73 ft. centerbeam cars with 286,000 lbs. gross rail load, bearing the reporting marks and numbers IC 624200 – 624299 inclusive (previously CN 624200 – 624299 inclusive).

A short summary of the document to appear in the index is as follows: "Lease between Railcar, Ltd., Suite 425, 1819 Peachtree Road, N.E., Atlanta, Georgia 30309-1847, Attention: Chief Financial Officer, as lessor, and Illinois Central Railroad Company, c/o Canadian National Railway

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Company, 935 de La Gauchetiere Street West, Montreal, Quebec, Canada H3B 2M9, Attention: Senior Manager – Asset Finance, as lessee, dated as of December 31, 1999, and covering one hundred (100) 73 ft. centerbeam cars with 286,000 lb. gross rail load, bearing the reporting marks and numbers IC 624200 – 624299 inclusive (previously CN 624200 – 624299 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,



William M. Ellard

WME/ksm
Enclosures

MEMORANDUM OF LEASE SCHEDULE NO. 1

1. Pursuant to the Master Lease Agreement dated as of December 31, 1999, and the related Schedule No. 1 dated as of December 31, 1999 (the "Lease Agreement"), between Railcar, Ltd., as lessor ("Lessor"), and Illinois Central Railroad Company, as lessee ("Lessee"), Lessor has leased to Lessee one hundred (100) 73' centerbeam cars with 286,000 lbs. gross rail load, bearing the reporting marks and numbers CN 624200 - 624299 inclusive (which shall be restencilled with the reporting marks and numbers IC 624200 - 624299 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:

Railcar, Ltd. (Lessor)
Suite 425
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847
Attention: Chief Financial Officer

Illinois Central Railroad Company (Lessee)
c/o Canadian national Railway Company
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 December 31, 1999 and ending December 31, 2009.

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 for security purposes. If it should nonetheless be determined that the transaction is a sale, then Lessee shall be deemed to have granted Lessor a security interest in the Cars (to secure the full payment and performance of all of Lessee's obligations under the Lease), and 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]

RECORDATION NO. 23573 FILED

JUL 31 '01 11-18 AM

SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of December ____, 1999.

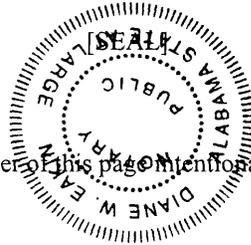
RAILCAR, LTD.

By: Michael V. Bombino
Name: Michael V. Bombino
Title: Vice President & Treasurer

STATE OF ALABAMA
COUNTY OF MARSHALL

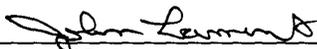
On December 17, 1999, before me personally appeared Michael V. Bombino, to me personally known, who being by me duly sworn says that he is Vice President & Treasurer of Railcar, Ltd., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and 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



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

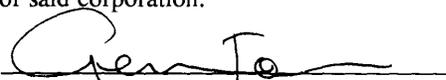
ILLINOIS CENTRAL RAILROAD COMPANY

By: 
Name: John Lamont
Title: Sr. Manager, Asset Finance

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

On JUNE 18, 2001, before me personally appeared JOHN LAMONT, to me personally known, who being by me duly sworn says that he is Sr. Manager, Asset Finance of Illinois Central Railroad 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.

Illinois Central Railroad


Commissioner for Oaths
My commission expires: Attorney

19021-8

[SEAL]