

SIDLEY AUSTIN BROWN & WOOD LLP

MAR 3 '04 10:18 AM

CHICAGO
DALLAS
LOS ANGELES
NEW YORK
SAN FRANCISCO

1501 K STREET, N.W.
WASHINGTON, D.C. 20005
TELEPHONE 202 736 8000
FACSIMILE 202 736 8711
www.sidley.com
FOUNDED 1866

SURFACE TRANSPORTATION BOARD

LONDON
SHANGHAI
SINGAPORE
TOKYO

WRITER'S DIRECT NUMBER
(202) 736-8198

WRITER'S E-MAIL ADDRESS
thynes@sidley.com

March 3, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Memorandum of Security Agreement – Trust Deed between CPR Leasing Ltd. (“Debtor”) and Wells Fargo Bank Northwest, N.A. (“Collateral Agent”), a primary document, dated as of March 3, 2004. This document relates to eighty-one (81) AC4400 CW diesel locomotives bearing identification marks and numbers CP 8651 through CP 8655, CP 9700 through CP 9740, and CP 9750 through CP 9784, inclusive.

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

DEBTOR: CPR Leasing Ltd.
401 9th Avenue, S.W.
Calgary, Alberta T2P 4Z4
Canada

COLLATERAL AGENT: Wells Fargo Bank Northwest, N.A.
299 South Main Street
12th Floor
Salt Lake City, UT 84111

A description of the equipment covered by the document follows:

Eighty-one (81) AC4400 CW diesel locomotives bearing identification marks and numbers CP 8651 through CP 8655, CP 9700 through CP 9740, and CP 9750 through CP 9784, inclusive.

SIDLEY AUSTIN BROWN & WOOD LLP

WASHINGTON, D.C.

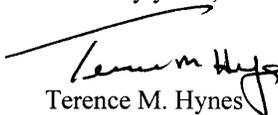
Mr. Vernon A. Williams
March 3, 2004
Page 2

The prescribed recordation fee of \$30.00 is enclosed. Please return any extra copies not needed by the Board for recordation to the person hand-delivering the documents.

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

Memorandum of Security Agreement – Trust Deed between CPR Leasing Ltd. (“Debtor”) and Wells Fargo Bank Northwest, N.A. (“Collateral Agent”), a primary document relating to eighty-one (81) AC4400 CW diesel locomotives bearing identification marks and numbers CP 8651 through CP 8655, CP 9700 through CP 9740, and CP 9750 through CP 9784, inclusive.

Sincerely yours,



Terence M. Hynes

TMH:aat

RECORDATION NO. 24838 FILED

MAR 3 - '04 10:18 AM

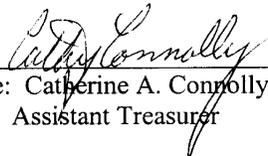
SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT – TRUST DEED dated as of March 3, 2004, between CPR LEASING LTD. (the “Debtor”), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, as collateral agent (in such capacity, the “Collateral Agent”) for the Note Holders.

WHEREAS, the Debtor and the Collateral Agent are entering into that certain Security Agreement – Trust Deed to be dated as of March 3, 2004, pursuant to which, among other things, Debtor creates in, and grants to the Collateral Agent (for the benefit of itself and the Note Holders (as defined therein)) and its successors in trust, a security interest in all of the Debtor’s right, title and interest, whether now owned or hereafter acquired or arising, in and to: (i) the eighty-one (81) GE AC4400 diesel locomotives (hereinafter referred to as the “Equipment”), described more fully and identified by the reporting marks and numbers listed on Schedule A hereto together with all bills of sale, invoices and purchase orders in respect thereof, all manufacturers’ or suppliers’ warranties in respect thereof (but specifically excluding any rebates, incentive locomotives or other purchase inducements and other right under any service agreements), accessories, equipment, parts and appurtenances appertaining or attached to the Equipment, whether now owned or hereafter acquired, except such thereof as remain property of Canadian Pacific Railway Company (hereinafter referred to as the “Lessee”) under the Lease of Locomotives to be dated as of March 3, 2004 (hereinafter referred to as the “Lease”) between Debtor and Lessee, and all substitutions, renewals or replacements of, and additions, improvements, accessions and accumulations to the Equipment, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof and all accessions, attachments, enhancements, accessories, additions, improvements or replacements thereto; (ii) all right, title, interest, claims and demands of the Debtor as lessor in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Debtor as lessor under the Lease; and (iii) all right, title, interest, claims and demands of the Debtor in, to and under the other documents relating to the foregoing, including the Equipment Documents (as defined therein).

IN WITNESS WHEREOF, the parties wish to show for the public record the security interest in such Equipment that is now owned or hereafter acquired by Debtor, in favour of the Collateral Agent for the benefit of itself and the Note Holders. Accordingly, the parties have caused this Memorandum to be executed by an officer of Debtor and an officer of Collateral Agent, each thereunto duly authorized, as of the date first above written.

CPR LEASING LTD.

By: 
Name: Catherine A. Connolly
Title: Assistant Treasurer

**WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION,
as Collateral Agent**

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties wish to show for the public record the security interest in such Equipment that is now owned or hereafter acquired by Debtor, in favour of the Collateral Agent for the benefit of itself and the Note Holders. Accordingly, the parties have caused this Memorandum to be executed by an officer of Debtor and an officer of Collateral Agent, each thereunto duly authorized, as of the date first above written.

CPR LEASING LTD.

By: _____
Name: Catherine A. Connolly
Title: Assistant Treasurer

**WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION,
as Collateral Agent**

By: 
Name: **Nancy M. Dahl**
Title: **Vice President**

CITY OF Calgary)
PROVINCE OF Alberta) ss:

On the 1 day of March, 2004, before me personally appeared Catherine A. Connolly to me personally known, or sufficiently identified, who being by me duly sworn, said that (s)he is the Assistant Treasurer of CPR LEASING LTD., that the said instrument was signed on behalf of the said entity with all due corporate authority, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of the said entity.

Jason Barabash
Notary Public

JASON W. BARABASH
Barrister & Solicitor

(SEAL)

My Commission does not expire

STATE OF _____)
COUNTY OF _____) ss:

On the ___ day of March, 2004, before me personally appeared _____ to me personally known, or sufficiently identified, who being by me duly sworn, said that (s)he is the _____ of WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, that the said instrument was signed on behalf of the said entity with all due corporate authority, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of the said entity.

Notary Public

(SEAL)

My Commission expires: _____

CITY OF _____)
PROVINCE OF _____) ss:

On the ___ day of March, 2004, before me personally appeared Catherine A. Connolly to me personally known, or sufficiently identified, who being by me duly sworn, said that (s)he is the Assistant Treasurer of CPR LEASING LTD., that the said instrument was signed on behalf of the said entity with all due corporate authority, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of the said entity.

Notary Public

(SEAL)

My Commission does not expire

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 2nd day of March, 2004, before me personally appeared Nancy M. Dan to me personally known, or sufficiently identified, who being by me duly sworn, said that (s)he is the Vice President of WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, that the said instrument was signed on behalf of the said entity with all due corporate authority, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of the said entity.

Sharlee Hackworth
Notary Public

(SEAL)

My Commission expires: _____



Schedule A
Equipment List

Eighty one (81) GE AC4400 CW diesel locomotives, manufactured by General Electric Company, with reporting marks and numbers as follows:

	Reporting Marks and Numbers	Serial Numbers		Reporting Marks and Numbers	Serial Numbers
1.	CP 9750	54445	19.	CP 9768	54463
2.	CP 9751	54446	20.	CP 9769	54464
3.	CP 9752	54447	21.	CP 9770	54465
4.	CP 9753	54448	22.	CP 9771	54466
5.	CP 9754	54449	23.	CP 9772	54467
6.	CP 9755	54450	24.	CP 9773	54468
7.	CP 9756	54451	25.	CP 9774	54469
8.	CP 9757	54452	26.	CP 9775	54470
9.	CP 9758	54453	27.	CP 9776	54471
10.	CP 9759	54454	28.	CP 9777	54472
11.	CP 9760	54455	29.	CP 9778	54473
12.	CP 9761	54456	30.	CP 9779	54474
13.	CP 9762	54457	31.	CP 9780	54475
14.	CP 9763	54458	32.	CP 9781	54476
15.	CP 9764	54459	33.	CP 9782	54477
16.	CP 9765	54460	34.	CP 9783	54478
17.	CP 9766	54461	35.	CP 9784	54479
18.	CP 9767	54462			

	Reporting Marks and Numbers	Serial Numbers		Reporting Marks and Numbers	Serial Numbers
36.	CP 8651	53450	54.	CP 9713	53943
37.	CP 8652	53451	55.	CP 9714	53944
38.	CP 8653	53452	56.	CP 9715	53945
39.	CP 8654	53453	57.	CP 9716	53946
40.	CP 8655	53454	58.	CP 9717	53947
41.	CP 9700	53930	59.	CP 9718	53948
42.	CP 9701	53931	60.	CP 9719	53949
43.	CP 9702	53932	61.	CP 9720	53950
44.	CP 9703	53933	62.	CP 9721	53951
45.	CP 9704	53934	63.	CP 9722	53952
46.	CP 9705	53935	64.	CP 9723	53953
47.	CP 9706	53936	65.	CP 9724	53954
48.	CP 9707	53937	66.	CP 9725	53955
49.	CP 9708	53938	67.	CP 9726	53956
50.	CP 9709	53939	68.	CP 9727	53957
51.	CP 9710	53940	69.	CP 9728	53958
52.	CP 9711	53941	70.	CP 9729	53959
53.	CP 9712	53942	71.	CP 9730	53960

	Reporting Marks and Numbers	Serial Numbers		Reporting Marks and Numbers	Serial Numbers
72.	CP 9731	53961	77.	CP 9736	53966
73.	CP 9732	53962	78.	CP 9737	53967
74.	CP 9733	53963	79.	CP 9738	53968
75.	CP 9734	53964	80.	CP 9739	53969
76.	CP 9735	53965	81.	CP 9740	53970

983868_2