

RECORDATION NO. 23935 FILED

APR 05 '02 4-1:3 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

April 5, 2002

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, dated as of September 24, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

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

Lessee: Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9

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

One Hundred (100) boxcars: SLGG 10900 – SLGG 10945 inclusive, SLGG 10947 – SLGG 10999 inclusive, SLGG 10450 and SLGG 10501.

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Mr. Vernon A. Williams
April 5, 2002
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A short summary of the document to appear in the index is:

Memorandum of Lease.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm
Enclosures

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MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

1. Pursuant to the Master Lease Agreement dated as of June 1, 1998, and the related Schedule No. 7 dated as of October 8, 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 one hundred 50-ft., 100-ton, rigid underframe, plate C boxcars with 10-ft. sliding doors bearing the marks and numbers; SLGG 10900 through SLGG 10945 inclusive; SLGG 10947 through SLGG 10955 inclusive; SLGG 10957 through SLGG 10999 inclusive; SLGG 10450 and SLGG 10501 (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 five years and expires on January 31, 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 Sept 24th 2000.

PROGRESS RAIL SERVICES CORPORATION
d/b/a Progress Rail Canada

By: Michael V. Bombino
Name: Michael V. Bombino
Title: Senior Vice President & CFO

STATE OF Alabama
COUNTY OF Marshall

On September 27, 2000, before me personally appeared Michael V. Bombino, to me personally known, who being by me duly sworn says that he is Senior Vice President & CFO 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.

Diane W. Eakin
Notary Public
My commission expires: June 30, 2001

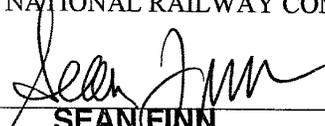


[Execution continued on next page; remainder of this page intentionally left blank]

I hereby certify that a copy of this document was deposited in the Office of the Registrar General of Canada on the 4th day of October, 2000 at 2:30 a.m.(p.m.)

Janelle
Deputy Registrar General of Canada

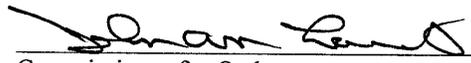
CANADIAN NATIONAL RAILWAY COMPANY

By: 
Name: SEAN FINN
Title: VICE PRESIDENT, TREASURER
AND PRINCIPAL TAX COUNSEL

Province of Quebec, District of Montreal

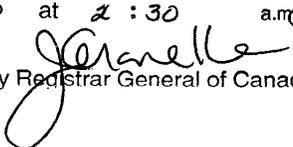
On September 20, 2000, before me personally appeared Sean Finn,
to me personally known, who being by me duly sworn says that he is V.P. Treasurer C.N.R.C.
of Canadian National Railway Company, and that he executed the foregoing instrument on
behalf of said corporation by authority of its Board of Directors, and he acknowledged that the
execution of the foregoing instrument was the free act and deed of said corporation.

JOHN LAMONTAGNE
Commissioner for Oaths
Commissaire à l'Assermentation
Province of Quebec
Expires September 14, 1995 2001


Commissioner for Oaths
My commission expires: 9/14/01

[SEAL]

I hereby certify that a copy of this
document was deposited in the Office
of the Registrar General of Canada on
the 4th day of October,
2000 at 2:30 a.m./p.m.


Deputy Registrar General of Canada