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August 12, 2002

RECORDATION NO. 24063 FILED
AUG 12 '02 3-04 PM
SURFACE TRANSPORTATION BOARD

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 six (6) copies of a Memorandum General Security Agreement, dated as of July 19, 2002, 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:

Debtor: National Steel Car Limited
602 Kenilworth Avenue North
Hamilton, Ontario
Canada L8N 3J4

[Secured Party: Trilon Bancorp Inc.
BCE Place
Bay/Wellington Tower
181 Bay Street
Toronto, Ontario
Canada M5J 2T3]

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

all locomotives, railcars and other rolling stock of the Debtor NOW OWNED OR
HEREAFTER ACQUIRED including, but not limited to, the 527 railcars identified on
Schedule A attached to the Memorandum.

Mr. Vernon A. Williams
August 12, 2002
Page Two

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

Memorandum General Security Agreement

Also enclosed is a check in the amount of \$30.00 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,



Robert W. Alvord

RWA/anr
Enclosures

MEMORANDUM OF GENERAL SECURITY AGREEMENT

Memorandum of General Security Agreement made and entered into as of July 19, 2002, by National Steel Car Limited ("NSC"), a Canadian corporation, having an address at 602 Kenilworth Avenue North, Hamilton, Ontario L8N 3J4, Canada, in favour of Trilon Bancorp Inc. ("Trilon"), having an address at BCE Place, Bay/Wellington Tower, 181 Bay Street, Suite 4420, Toronto, Ontario M5J 2T3, Canada.

WITNESSETH:

To secure all or any part of the Obligations, as such term is defined in the general security agreement dated as of July 19, 2002 (the "General Security Agreement") between NSC and Trilon, NSC granted to Trilon, pursuant to the General Security Agreement, a first priority security interest in all locomotives, railcars and other rolling stock of NSC, whether now owned or hereafter acquired, including, without limitation, the railcars described on Schedule A hereto, and in all proceeds thereof, accretions thereto and substitutions therefor.

[Signatures appear on the following page]

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IN WITNESS WHEREOF, NSC has caused this instrument to be signed and sealed by its corporate officer as of the date and year first above written.

NATIONAL STEEL CAR LIMITED

By: Cecil Mosselman
Name: Cecil Mosselman
Title: Corporate Secretary

On this 31st day of July, 2002, before me personally appeared Cecil Mosselman, to me personally known, who being by me duly sworn, says that he is the Corporate Secretary of National Steel Car Limited, that the foregoing instrument was signed on behalf of said company, and he acknowledged that the execution of the said instrument was his free act and deed.

C. Wollaston
NOTARY PUBLIC

My commission expires: April 15, 2004

COLOMBA ANNE WOLLASTON, Notary Public,
City of Hamilton-Wentworth, limited to the
attestation of instruments and the taking of
affidavits, for National Steel Car Limited.
Expires April 15, 2004

Schedule A

SCHEDULE OF EQUIPMENT

Five Hundred Twenty Seven (527) Coil Cars, numbered:

NSCX 7001 through NSCX 7159 inclusive
NSCX 7161 through NSCX 7163 inclusive
NSCX 7165 through NSCX 7187 inclusive

NSCX 7209

NSCX 7213 through NSCX 7264 inclusive
NSCX 7266 through NSCX 7269 inclusive

NSCX 7271

NSCX 7273 through NSCX 7282 inclusive
NSCX 7284 through NSCX 7289 inclusive

NSCX 7291

NSCX 7293 through NSCX 7303 inclusive
NSCX 7305 through NSCX 7333 inclusive

NSCX 7336

NSCX 7338 through NSCX 7340 inclusive
NSCX 7344 through NSCX 7346 inclusive
NSCX 7348 through NSCX 7349 inclusive
NSCX 7352 through NSCX 7355 inclusive
NSCX 7360 through NSCX 7361 inclusive
NSCX 7363 through NSCX 7366 inclusive
NSCX 7368 through NSCX 7410 inclusive

LW 42050 through LW 42064 inclusive

CN 187215 through CN 187364 inclusive