

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

RECORDATION NO. 20926-1 FILED
MAY 31 '05 12:25 PM
SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

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

May 31, 2005

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 Assignment of Lessor's Interest in Lease, dated as of October 29, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Assignment of Lessor's Interest in Lease previously filed with the Board under Recordation Number 20926-A.

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

Assignor:	M&T Credit Services, LLC 25 South Charles Street Baltimore, Maryland 21201
Assignee:	Progress Rail Services Corporation 1600 Progress Drive Albertville, Alabama 35950

Mr. Vernon A. Williams
May 31, 2005
Page 2

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

194 railcars within the series SLGG 19447 – SLGG 19999, SLGG 38285 – SLGG 38442 and SLGG 40991 – SLGG 41397 as more particularly set forth in the equipment schedule attached to the document.

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

Assignment of Lessor's Interest in Lease.

Also enclosed is a check in the amount of \$33.00 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/anm
Enclosures

ASSIGNMENT OF LESSOR'S INTEREST IN LEASE

MAY 31 2005

12-25 PM

SURFACE TRANSPORTATION BOARD

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASE (this "Agreement") is made as of this 29th day of October, 2004 between **M&T CREDIT SERVICES, LLC** (the "Assignor"), and **PROGRESS RAIL SERVICES CORPORATION** (the "Assignee").

RECITALS

A. Seller is the owner of 194 70-ton 50 foot boxcars, more specifically described in Schedule A attached hereto and made a part hereof (the "Railcars").

B. The Assignor (successor by merger to M&T Credit Corporation, successor in interest to Manufacturers and Traders Trust Company, successor by merger to Allfirst Bank (f/k/a The First National Bank of Maryland)), as assignee of Railcar, Ltd. ("LTD"), is the lessor under that certain Lease Agreement dated as of April 1, 1997 (the "Lease") by and between LTD and Canadian National Railway Company (the "Lessee").

C. The Assignor has, pursuant to the Purchase and Sale Agreement made as of October 29, 2004 (the "Agreement of Sale"), sold to the Assignee all of the Assignor's right, title and interest in and to the Railcars.

D. In connection with such sale of the Railcars, Assignor desires to assign to the Assignee, subject to the Reserved Rights (as hereinafter defined), all of the Assignor's right, title and interest in and to and obligations under the Lease, which Assignee expressly desires to assume.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, the Assignor and the Assignee agree as follows:

1. **Assignment and Assumption.** The Assignor hereby assigns to the Assignee all of the Assignor's right, title and interest in and to and obligations under the Lease. Notwithstanding anything to the contrary herein, the following rights of Assignor (the "Reserved Rights") are excluded from the assignment: any right, title and interest of Assignor in and to (i) all rental payments due on the Railcars through and including October 28, 2004, (ii) each and every indemnity or other payment and the right to payment of all indemnities of the Lessee or otherwise which may be payable to Assignor arising from events occurring prior to October 29, 2004, (iii) all liability insurance proceeds which are now or hereafter payable to Assignor arising from or in connection with its interest in the Railcars and (iv) the right to enforce payment of any of the foregoing; provided, however, Assignee shall have the right to receive payment of any rentals, car hire and other payments made or due with respect to the Railcars pursuant to Paragraph 5.1.3 of the Lease (as

reduced for idle time) and Paragraph 5.1.5 of the Lease for August 2004, September 2004 and after October 28, 2004; provided, however, Assignor's obligation to share excess rentals with LTD as provided in Section 7 of that certain Assignment Agreement dated as of September 30, 1997 shall not be affected by this Agreement. Notwithstanding Assignor's retention of the Reserved Rights, Assignor shall not be entitled to exercise any of the remedies available to the "Lessor" under the Lease with respect to any non-payment relating to the Reserved Rights other than a suit for monetary damages and actions to enforce any judgment obtained for such damages against general assets of the Lessee (excluding the Railcars and the Lessee's rights to use the same pursuant to the terms of the Lease). Assignee hereby accepts the assignment of such right, title and interest of, and assumes the obligations of, Assignor under the Lease, subject to the Reserved Rights. Assignee shall not release or modify any of the Reserved Rights.

2. **Additional Instruments.** The Assignor shall execute and deliver such further instruments and take such actions as shall be reasonably required in order to carry out the transactions contemplated by this Agreement.

3. **Miscellaneous Provisions.**

(a) **Entire Agreement.** The Transaction Documents (as defined in the Agreement of Sale) comprise the complete understanding of the parties and there are no understandings, either written or oral, except as specifically set forth in the Transaction Documents. No changes may be made in this Agreement unless specifically reduced to writing and accepted by both parties. All prior negotiations and understandings of the parties are deemed merged into this Agreement and the other Transaction Documents.

(b) **Amendment and Waiver.** This Agreement may be amended, or any portion of this Agreement may be waived, provided that such amendment or waiver shall be in writing, executed by the parties to which any particular provision specifically relates and all such amendments and waivers made shall be binding upon the parties. No course of dealing between or among any persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of the Transaction Documents or any rights or obligations of any person under or by reason of the Transaction Documents.

(c) **Inurement to Benefit of Assigns.** All of the terms and provisions of this Agreement shall be binding upon, apply and inure to the benefit of the parties, their respective successors and assigns.

(d) **Severability.** Each of the terms and provision of this Agreement is and is deemed to be severable, in whole or in part, and, if any term or provision or their application in any circumstance should be invalid, illegal or unenforceable, the remaining terms and provisions or their application, to circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected and shall remain in full force and effect.

(e) **Exhibits and Schedules.** Schedule A attached to this Agreement is incorporated and made a part of this Agreement by reference.

(f) **Paragraph Headings.** All paragraph and subparagraph headings are for convenience only and do not in any way limit to construe the contents of the paragraphs.

(g) **Rights and Remedies.** All rights and remedies granted any of the parties under this Agreement shall be cumulative.

(h) **Rights and Obligations of Parties.** This Agreement is given pursuant to the Agreement of Sale and neither expands upon nor limits the rights and obligations of the parties under the Agreement of Sale.

(i) **Governing Law.** The law of the State of New York shall govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

(j) **Construction.** As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural. This Agreement and all instruments executed to consummate the transactions contemplated shall be deemed to have been mutually negotiated, prepared and drafted, and in the event of its interpretation no consideration shall be given to the issue of which party prepared, drafted or requested any term, condition or agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

STATE OF ALABAMA, COUNTY/CITY OF MARSHALL, TO WIT:

I HEREBY CERTIFY, that on this 28th day of October, 2004, before me, personally appeared John R. Grace, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of Progress Rail Services Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and Notarial Seal.

Tisha George
Notary Public

(SEAL)

My Commission Expires:

TISHA JANE GEORGE
Notary Public, AL State at Large
My Comm. Expires Sept. 14, 2008

SCHEDULE A
to Assignment of Lessor's Interest in Lease

DESCRIPTION OF RAILCARS

One Hundred Ninety-four (194) 50ft., 70-ton boxcars

SLGG	19447
SLGG	19449
SLGG	19450
SLGG	19452
SLGG	19461
SLGG	19471
SLGG	19472
SLGG	19474
SLGG	19475
SLGG	19476
SLGG	19478
SLGG	19479
SLGG	19481
SLGG	19482
SLGG	19496
SLGG	19497
SLGG	19505
SLGG	19506
SLGG	19507
SLGG	19508
SLGG	19513
SLGG	19515
SLGG	19517
SLGG	19522
SLGG	19523
SLGG	19524
SLGG	19525
SLGG	19527
SLGG	19531
SLGG	19533
SLGG	19534
SLGG	19535
SLGG	19541
SLGG	19542
SLGG	19550
SLGG	19551
SLGG	19552
SLGG	19563
SLGG	19564

One Hundred Ninety-four (194) 50ft., 70-ton boxcars

SLGG	19567
SLGG	19568
SLGG	19569
SLGG	19570
SLGG	19576
SLGG	19589
SLGG	19592
SLGG	19595
SLGG	19596
SLGG	19598
SLGG	19601
SLGG	19602
SLGG	19605
SLGG	19608
SLGG	19612
SLGG	19620
SLGG	19623
SLGG	19629
SLGG	19633
SLGG	19634
SLGG	19642
SLGG	19644
SLGG	19645
SLGG	19646
SLGG	19647
SLGG	19650
SLGG	19652
SLGG	19655
SLGG	19656
SLGG	19659
SLGG	19663
SLGG	19666
SLGG	19667
SLGG	19671
SLGG	19673
SLGG	19675
SLGG	19682
SLGG	19687
SLGG	19690
SLGG	19696
SLGG	19698
SLGG	19702
SLGG	19705
SLGG	19707
SLGG	19709
SLGG	19711

One Hundred Ninety-four (194) 50ft., 70-ton boxcars

SLGG 19712
SLGG 19714
SLGG 19717
SLGG 19725
SLGG 19726
SLGG 19735
SLGG 19736
SLGG 19737
SLGG 19738
SLGG 19746
SLGG 19747
SLGG 19750
SLGG 19754
SLGG 19756
SLGG 19758
SLGG 19759
SLGG 19760
SLGG 19762
SLGG 19766
SLGG 19768
SLGG 19777
SLGG 19778
SLGG 19779
SLGG 19780
SLGG 19782
SLGG 19784
SLGG 19785
SLGG 19786
SLGG 19787
SLGG 19788
SLGG 19790
SLGG 19793
SLGG 19794
SLGG 19796
SLGG 19798
SLGG 19799
SLGG 19802
SLGG 19803
SLGG 19806
SLGG 19808
SLGG 19811
SLGG 19813
SLGG 19816
SLGG 19817
SLGG 19820
SLGG 19821

One Hundred Ninety-four (194) 50ft., 70-ton boxcars

SLGG 19824
SLGG 19827
SLGG 19833
SLGG 19840
SLGG 19841
SLGG 19847
SLGG 19849
SLGG 19861
SLGG 19864
SLGG 19866
SLGG 19868
SLGG 19870
SLGG 19871
SLGG 19876
SLGG 19878
SLGG 19882
SLGG 19889
SLGG 19891
SLGG 19898
SLGG 19899
SLGG 19900
SLGG 19906
SLGG 19907
SLGG 19908
SLGG 19909
SLGG 19911
SLGG 19912
SLGG 19914
SLGG 19915
SLGG 19922
SLGG 19929
SLGG 19930
SLGG 19932
SLGG 19937
SLGG 19939
SLGG 19943
SLGG 19944
SLGG 19952
SLGG 19953
SLGG 19959
SLGG 19961
SLGG 19962
SLGG 19967
SLGG 19970
SLGG 19974
SLGG 19975

One Hundred Ninety-four (194) 50ft., 70-ton boxcars

SLGG	19977
SLGG	19978
SLGG	19979
SLGG	19982
SLGG	19985
SLGG	19989
SLGG	19992
SLGG	19998
SLGG	19999
SLGG	38285
SLGG	38347
SLGG	38348
SLGG	38381
SLGG	38442
SLGG	40991
SLGG	41304
SLGG	41397

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 5/31/05



Robert W. Alvord