

**First Union Rail Corporation**

One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, Illinois 60018-4214  
847 318-7575

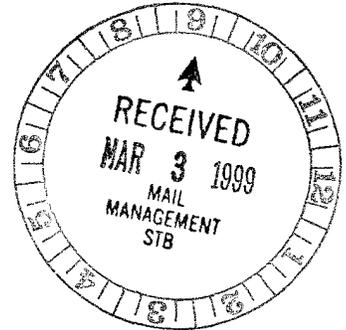
VIA FEDERAL EXPRESS

**FIRST  
UNION®**

March 2, 1999

RECORDATION NO. 22061 FILED

MAR 3 '99 9-00 AM



Surface Transportation Board  
Attn: Jan Fort  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001

**Re: Memorandum of Lease Agreement**

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a Memorandum of Lease Agreement, dated July 15, 1997, 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: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Canadian National Railway Company  
935 de La Gauchetiere St. West  
Montreal, Quebec H3B 2M9  
Canada

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

  
Tiffany Chase  
Manager – Documentation

Enclosures

(CN050)

RIDER #7

RECORDATION NO. 22061 FILED

MAR 3 '99

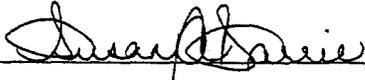
9-00AM

**MEMORANDUM OF LEASE AGREEMENT** dated as of July 15, 1997 (hereinafter called the Memorandum) between **FIRST UNION RAIL CORPORATION** (successor-in-interest to First Union Rail, a division of First Union Commercial Corporation), a North Carolina corporation, (hereinafter called the Lessor) and **CANADIAN NATIONAL RAILWAY COMPANY**, a Canadian corporation, (hereinafter called the Lessee).

**WHEREAS** the Lessor and the Lessee entered into Rider #7 dated as of February 15, 1998 to the Lease Agreement, dated as of June 16, 1994, between Lessor and Lessee covering 151 - 73' centerbeam A.A.R. Class FBC, 263,000 lb. gross weight on rail, flatcars, bearing the road numbers as listed on attached Appendix A, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor.

**IN WITNESS WHEREOF**, the parties wish to show for the public record the lease of said boxcars by the Lessor, and the leasehold interest therein of the Lessee, and accordingly have caused this Memorandum, which by reference incorporates the terms and conditions of said Lease Agreement and Rider #7 thereto, to be executed by their officers thereunto duly authorized, as of the day and year first above written.

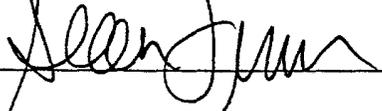
**FIRST UNION RAIL CORPORATION**, as Lessor

BY: 

NAME: Susan A. Barrie

TITLE: Regional Vice President, Sales

**CANADIAN NATIONAL RAILWAY COMPANY**, as Lessee

By: 

NAME: Sean Finn

TITLE: Treasurer & Principal Tax Counsel

*de*

RIDER #7

Memorandum of Lease Agreement

Appendix A

CAR NUMBERS

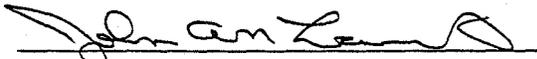
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NOKL 730368	NOKL 730691	NOKL 730617	NOKL 730665
NOKL 730369	NOKL 730692	NOKL 730618	NOKL 730666
NOKL 730370	NOKL 730693	NOKL 730619	NOKL 730667
NOKL 730371	NOKL 730694	NOKL 730620	NOKL 730668
NOKL 730372	NOKL 730696	NOKL 730621	NOKL 730669
NOKL 730373	NOKL 730697	NOKL 730623	NOKL 730670
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NOKL 730385	NOKL 730709	NOKL 730636	
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NOKL 730686	NOKL 730611	NOKL 730660	

RIDER #7

PROVINCE OF QUEBEC ) In the matter of a Memorandum of Lease  
 ) Agreement between First Union Rail  
 DISTRICT OF MONTREAL ) Corporation and Canadian National Railway  
 ) Company made as of the 15<sup>th</sup> day of  
 ) February, 1998 (with respect to a certain  
 ) Rider #7).

On the 25<sup>th</sup> day of January, 1999, before me personally appeared Sean Finn, to me personally known, who, being by me duly sworn, says that he is the Treasurer & Principal Tax Counsel of Canadian National Railway Company, that said instrument was signed on behalf of said Company 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 Company.

[ Seal ]

  
 Commissioner for Oaths

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

My commission expires: 9/14/01

PROVINCE OF QUEBEC ) In the matter of a Memorandum of Lease  
 ) Agreement between First Union Rail  
 DISTRICT OF MONTREAL ) Corporation and Canadian National Railway  
 ) Company made as of the 15<sup>th</sup> day of  
 ) February, 1998 (with respect to a certain  
 ) Rider #7).

On the 18<sup>th</sup> day of January, 1999, before me personally appeared Susan A. Barrie, to me personally known, who, being by me duly sworn, says that she is the Regional Vice President, Sales of the Montreal branch of First Union Rail Corporation, that said instrument was signed on behalf of said Corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

[ Seal ]

  
 Commissioner for Oaths



My commission expires:

