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September 12, 2002

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Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

RECORDATION NO. 24105 FILED  
SEP 12 '02 2-28 PM  
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a Memorandum of Lease of Railroad Equipment and Indemnity Agreement, dated as of August 15, 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:

Lessor: The Bank of Nova Scotia  
(Scotia Leasing)  
44 King Street West  
Toronto, Ontario  
M5H 1H1

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 schedule is:

Thirty (30) locomotives CN 2643 – CN 2672, inclusive

Mr. Vernon A. Williams  
September 12, 2002  
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A short summary of the document to appear in the index follows:

Memorandum of Lease of Railroad Equipment and Indemnity 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

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SEP 12 '02 2-28 PM

SURFACE TRANSPORTATION BOARD

(CN / BNS)

**MEMORANDUM OF LEASE OF RAILROAD EQUIPMENT AND INDEMNITY AGREEMENT** dated as of August 15, 2002 between **CANADIAN NATIONAL RAILWAY COMPANY**, a corporation continued under the laws of Canada (hereinafter called the **Lessee**), and **THE BANK OF NOVA SCOTIA**, a Canadian chartered bank (hereinafter called the **Lessor**).

**WHEREAS**, the Lessee and the Lessor are entering into that certain Lease of Railroad Equipment dated as of the date hereof (hereinafter the **Lease**) covering thirty (30) General Electric model Dash 9-44CW diesel-electric locomotives, bearing the road numbers **CN 2643 to CN 2672 inclusive**, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor (hereinafter the **Locomotives**);

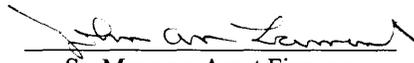
**WHEREAS**, the Lessee and the Lessor are entering into that certain Indemnity Agreement dated as of the date hereof (hereinafter the **Indemnity**) relating to the Lease and the Locomotives;

**WHEREAS**, the terms and conditions of the Lease and the Indemnity are incorporated by reference in this Memorandum as if fully set forth herein;

**AND WHEREAS**, this Memorandum has been entered into for the purpose of satisfying the requirements for i) recordation with the Surface Transportation Board of the United States of America under Section 11301 of Title 49 of the *United States Code* and ii) deposit with the Registrar General of Canada under Section 105 of the *Canada Transportation Act*.

**IN WITNESS WHEREOF**, the parties wish to show for the public record, among other things, the ownership of the Locomotives by the Lessor, the leasehold interest therein of the Lessee and the rights of the Lessee from time to time to purchase the Locomotives or to renew the Lease and, accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the day and year first above written.

**CANADIAN NATIONAL RAILWAY COMPANY**

By:   
Its: Sr. Manager Asset Finance

**THE BANK OF NOVA SCOTIA**

By:   
Its: DIRECTOR, SCOTIA LEASING

PROVINCE OF QUEBEC )  
 ) ss.:  
DISTRICT OF MONTREAL )

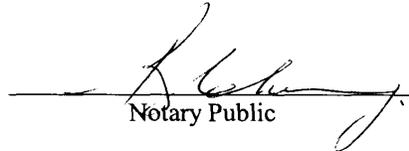
On this 9th day of September, 2002, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is Sr. Manager Asset Finance of CANADIAN NATIONAL RAILWAY COMPANY, that the instrument was signed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

  
Attorney

Bar Number: 190021-8

PROVINCE OF ONTARIO )  
 ) ss.:  
CITY OF TORONTO )

On this 10<sup>th</sup> day of September, 2002, before me personally appeared STEVE CZEGEL, to me personally known, who, being by me duly sworn, says that he / she is DIRECTOR, SCOTIA LEASING of THE BANK OF NOVA SCOTIA, that the instrument was signed on behalf of said bank by authority of its board of directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

  
Notary Public

My commission expires: December 4, 2002

**RUTH CRYSTAL EVANGELINE CHUNG, a  
Commissioner, etc., City of Toronto, for  
Ogilvy Renault, Barristers and Solicitors.  
Expires December 4, 2004.**