

RECORDATION NO. 23170-A FILED

OCT 26 '05

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SURFACE TRANSPORTATION BOARD

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

October 26, 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 four (4) copies of a Memorandum of Lease Termination and Equipment Disposition No. 1, dated as of October 17, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease No. 1 filed with the Board under Recordation Number 23170.

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

Lessor: HSBC Bank Canada
885 West Georgia Street
Vancouver, B.C. V6C 3E9
Canada

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

Mr. Vernon Williams
October 26, 2005
Page Two

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

Group 1: 50 gondolas CN 198450 - CN 198499;
Group 2: 73 covered hoppers within the series
CN 377000 - CN 377095;
Group 3: 136 covered hoppers within the series
CN 377011 - CN 377257; and
Group 4: 85 open top hoppers within the series
CNA 330300 - CNA 330409.

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

Memorandum of Lease Termination and Equipment Disposition No. 1

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



(HSBC / CN No. 1)

RECORDATION NO. 23170A FIL

OCT 26 '05

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE TERMINATION AND EQUIPMENT DISPOSITION NO. 1 dated as of October 3, 2005 between **HSBC Bank Canada** (the "Lessor") and **Canadian National Railway Company** (the "Lessee").

WHEREAS, Lessor and Lessee entered into that certain Lease of Equipment No. 1 dated as of October 2, 2000 (the "Lease") covering the three-hundred forty-four (344) units of railroad rolling stock more particularly described in Schedule A hereto (the "Equipment");

WHEREAS, to evidence the Lease, (i) on October 20, 2000 at 2:11 P.M., a Memorandum No. 1 of Lease of Equipment No. 1 (the "Memorandum") was filed with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the *United States Code* and assigned recordation number 23170; and (ii) on October 20, 2000 at 10:33 A.M., a Memorandum was deposited in the Office of the Registrar General of Canada pursuant to Section 105 of the *Canada Transportation Act*.

IN WITNESS WHEREOF, the parties wish to show for the public record that as of the date first above written:

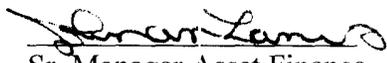
- 1) The Lease was terminated by HSBC and CN in accordance with its terms;
- 2) CN and HSBC acknowledge that certain provisions of the Lease survive the termination thereof, as more particularly specified therein;
- 3) The Equipment was sold, by HSBC, to CN free and clear of all encumbrances arising through HSBC pursuant to a Bill of Sale of even date herewith;

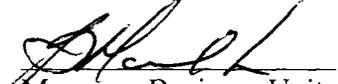
and accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized.

HSBC BANK CANADA,
as owner and lessor

**CANADIAN NATIONAL
RAILWAY COMPANY,**
as lessee and buyer

By: 
Its: Vice President, Leasing

By: 
Its: Sr. Manager Asset Finance

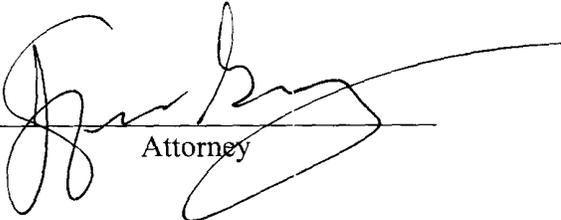
By: 
Its: Manager, Business Unit Accounting

CN File Reference: 2039-14
HSBC File Reference: 999553PQ.01

HSBC Bank Canada
Leasing Division
1500 - 888 Dunsmuir Street, Vancouver, B.C. V6C 3K4
Tel: (604) 641-1994 Fax: (604) 641-1919

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

On this 17th day of October, 2005, 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: 188726-2

PROVINCE OF BRITISH COLUMBIA)
) SS.:
CITY OF VANCOUVER)

On this 14th day of October, 2005, before me personally appeared Berneice Hamilton, to me personally known, who, being by me duly sworn, says that he / she is Manager, Business Unit Accounting Leasing of HSBC BANK CANADA, 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: —

SANDRA M. MOLLET
A NOTARY PUBLIC IN AND FOR
THE PROVINCE OF BRITISH COLUMBIA
HSBC BANK CANADA
900, 888 DUNSMUIR STREET
VANCOUVER, B.C. V6C 3K4

(HSBC / CN No. 1)

Schedule A

DESCRIPTION OF UNITS

Group 1

Quantity: 50

Description: 100-ton gondolas, built in 1976-1977 by Marine Industries of Montreal, Quebec, bearing the following marks and numbers:

| | | | |
|----|--------|----|--------|
| CN | 198450 | CN | 198475 |
| CN | 198451 | CN | 198476 |
| CN | 198452 | CN | 198477 |
| CN | 198453 | CN | 198478 |
| CN | 198454 | CN | 198479 |
| CN | 198455 | CN | 198480 |
| CN | 198456 | CN | 198481 |
| CN | 198457 | CN | 198482 |
| CN | 198458 | CN | 198483 |
| CN | 198459 | CN | 198484 |
| CN | 198460 | CN | 198485 |
| CN | 198461 | CN | 198486 |
| CN | 198462 | CN | 198487 |
| CN | 198463 | CN | 198488 |
| CN | 198464 | CN | 198489 |
| CN | 198465 | CN | 198490 |
| CN | 198466 | CN | 198491 |
| CN | 198467 | CN | 198492 |
| CN | 198468 | CN | 198493 |
| CN | 198469 | CN | 198494 |
| CN | 198470 | CN | 198495 |
| CN | 198471 | CN | 198496 |
| CN | 198472 | CN | 198497 |
| CN | 198473 | CN | 198498 |
| CN | 198474 | CN | 198499 |

Group 2

Quantity: 73

Description: 100-ton 4,350 cu. ft. covered hopper cars, built in 1970 by Hawker Siddeley of Trenton, NS, bearing the following marks and numbers:

| | | | |
|----|--------|----|--------|
| CN | 377000 | CN | 377048 |
| CN | 377001 | CN | 377050 |
| CN | 377002 | CN | 377051 |
| CN | 377003 | CN | 377052 |
| CN | 377004 | CN | 377053 |
| CN | 377005 | CN | 377055 |
| CN | 377007 | CN | 377056 |
| CN | 377008 | CN | 377058 |
| CN | 377009 | CN | 377059 |
| CN | 377010 | CN | 377060 |
| CN | 377015 | CN | 377061 |
| CN | 377016 | CN | 377062 |
| CN | 377017 | CN | 377063 |
| CN | 377019 | CN | 377064 |
| CN | 377020 | CN | 377065 |
| CN | 377022 | CN | 377066 |
| CN | 377023 | CN | 377067 |
| CN | 377025 | CN | 377069 |
| CN | 377028 | CN | 377070 |
| CN | 377029 | CN | 377072 |
| CN | 377030 | CN | 377073 |
| CN | 377032 | CN | 377075 |
| CN | 377033 | CN | 377076 |
| CN | 377034 | CN | 377077 |
| CN | 377035 | CN | 377078 |
| CN | 377036 | CN | 377080 |
| CN | 377037 | CN | 377082 |
| CN | 377038 | CN | 377085 |
| CN | 377039 | CN | 377087 |
| CN | 377040 | CN | 377088 |
| CN | 377041 | CN | 377090 |
| CN | 377042 | CN | 377091 |
| CN | 377043 | CN | 377092 |
| CN | 377044 | CN | 377093 |
| CN | 377045 | CN | 377094 |
| CN | 377046 | CN | 377095 |
| CN | 377047 | | |

Group 3

Quantity: 136

Description: 100-ton 4,350 cu. ft. covered hopper cars, built in 1970 by Hawker Siddeley of Trenton, NS, bearing the following marks and numbers:

| | | | |
|----|--------|----|--------|
| CN | 377011 | CN | 377132 |
| CN | 377012 | CN | 377133 |
| CN | 377013 | CN | 377134 |
| CN | 377057 | CN | 377135 |
| CN | 377071 | CN | 377136 |
| CN | 377074 | CN | 377138 |
| CN | 377081 | CN | 377139 |
| CN | 377089 | CN | 377140 |
| CN | 377096 | CN | 377141 |
| CN | 377097 | CN | 377142 |
| CN | 377098 | CN | 377143 |
| CN | 377099 | CN | 377144 |
| CN | 377100 | CN | 377145 |
| CN | 377102 | CN | 377146 |
| CN | 377103 | CN | 377147 |
| CN | 377104 | CN | 377149 |
| CN | 377105 | CN | 377150 |
| CN | 377106 | CN | 377151 |
| CN | 377107 | CN | 377153 |
| CN | 377108 | CN | 377154 |
| CN | 377109 | CN | 377156 |
| CN | 377111 | CN | 377157 |
| CN | 377113 | CN | 377158 |
| CN | 377114 | CN | 377159 |
| CN | 377115 | CN | 377161 |
| CN | 377116 | CN | 377162 |
| CN | 377118 | CN | 377163 |
| CN | 377120 | CN | 377164 |
| CN | 377121 | CN | 377165 |
| CN | 377122 | CN | 377166 |
| CN | 377123 | CN | 377167 |
| CN | 377124 | CN | 377168 |
| CN | 377125 | CN | 377169 |
| CN | 377126 | CN | 377170 |
| CN | 377127 | CN | 377172 |
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| CN | 377129 | CN | 377174 |
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CN 377245
CN 377246
CN 377247
CN 377249
CN 377257

Group 4

Quantity: 85

Description: 100-ton open top coal hopper cars, built or rebuilt by Greenville, bearing the following marks and numbers:

| | | | |
|-----|--------|-----|--------|
| CNA | 330300 | CNA | 330351 |
| CNA | 330301 | CNA | 330353 |
| CNA | 330302 | CNA | 330354 |
| CNA | 330305 | CNA | 330356 |
| CNA | 330306 | CNA | 330357 |
| CNA | 330307 | CNA | 330358 |
| CNA | 330310 | CNA | 330359 |
| CNA | 330311 | CNA | 330361 |
| CNA | 330312 | CNA | 330362 |
| CNA | 330313 | CNA | 330363 |
| CNA | 330314 | CNA | 330364 |
| CNA | 330316 | CNA | 330365 |
| CNA | 330317 | CNA | 330366 |
| CNA | 330318 | CNA | 330367 |
| CNA | 330319 | CNA | 330368 |
| CNA | 330320 | CNA | 330369 |
| CNA | 330322 | CNA | 330370 |
| CNA | 330323 | CNA | 330371 |
| CNA | 330324 | CNA | 330372 |
| CNA | 330325 | CNA | 330373 |
| CNA | 330327 | CNA | 330376 |
| CNA | 330328 | CNA | 330377 |
| CNA | 330329 | CNA | 330378 |
| CNA | 330330 | CNA | 330379 |
| CNA | 330332 | CNA | 330380 |
| CNA | 330333 | CNA | 330381 |
| CNA | 330334 | CNA | 330383 |
| CNA | 330335 | CNA | 330384 |
| CNA | 330336 | CNA | 330387 |
| CNA | 330337 | CNA | 330388 |
| CNA | 330339 | CNA | 330389 |
| CNA | 330341 | CNA | 330390 |
| CNA | 330343 | CNA | 330392 |
| CNA | 330344 | CNA | 330394 |
| CNA | 330345 | CNA | 330395 |
| CNA | 330347 | CNA | 330396 |
| CNA | 330348 | CNA | 330399 |
| CNA | 330349 | CNA | 330400 |
| CNA | 330350 | CNA | 330401 |

CNA 330402
CNA 330403
CNA 330404
CNA 330405
CNA 330406
CNA 330407
CNA 330409