

RECORDATION NO. 23917A FILED

APR 17 '07 -3 23 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.

SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2286

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1984)

OF COUNSEL
URBAN A LESTER

April 17, 2007

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 Memorandum of Lease Termination and Equipment Disposition No. 2, dated as of April 2, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a complete release and relates to the Memorandum No. 2 of Lease Equipment No. 2 previously filed with the Board under Recordation Number 23917.

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

Owner/Lessor:	HSBC Bank Canada 885 West Georgia Street Vancouver B C Canada V6C 3E9
Buyer/Lessee:	Canadian National Railway Company 935 de La Gauchetiere West Montreal Quebec Canada H3B 2M9

Mr. Vernon A. Williams
April 17, 2007
Page 2

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

185 gondola railcars: CN 188414, CN 188415 and within the series CN 136400 – CN 136598 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:

Memorandum of Lease Termination and Equipment Disposition No. 2.

Also enclosed is a check in the amount of \$34.00 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/sem
Enclosures

APR 17 '07 -3 23 PM

SURFACE TRANSPORTATION BOARD

(HSBC / CN No. 2)

**MEMORANDUM OF LEASE TERMINATION AND
EQUIPMENT DISPOSITION NO. 2** dated as of April 2,
2007 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. 2 dated as of March 1, 2002 (the "Lease") covering the one-hundred eighty-five (185) units of railroad rolling stock more particularly described in Schedule A hereto (the "Equipment");

WHEREAS, to evidence the Lease, (i) on March 28, 2002 at 9:02 A.M., a Memorandum No. 2 of Lease of Equipment No. 2 (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 23917; and (ii) on March 27, 2002 at 10:54 A.M., a Memorandum was deposited in the Office of the Registrar General of Canada pursuant to Section 105 of the *Canada Transportation Act*.

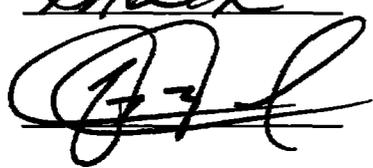
IN WITNESS WHEREOF, the parties wish to show for the public record that as of the date first above written:

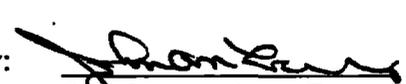
- 1) The Lease was terminated by HSBC and CN in accordance with its terms;
- 2) CN and HSBC acknowledge that certain provisions of the Lease survive the termination thereof, as more particularly specified therein;
- 3) The Equipment was sold, by HSBC, to CN free and clear of all encumbrances arising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

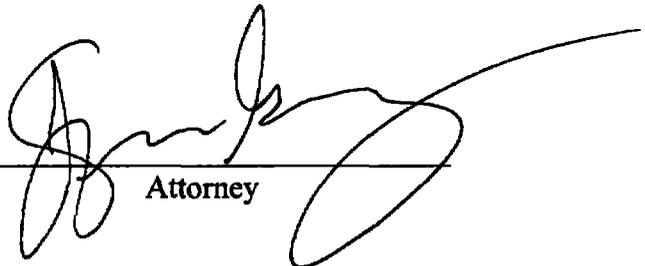
**CANADIAN NATIONAL
RAILWAY COMPANY,**
as lessee and buyer

By: 
Its: 

By: 
Its: Sr. Manager Asset Finance

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

On this 9th day of April, 2007, 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)
)
CITY OF VANCOUVER) SS.:

On this 4th day of April, 2007, before me personally appeared Berneice Hamilton, to me personally known, who, being by me duly sworn, says that 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 she acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.



Notary Public

My commission expires:
Does not expire.

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

SCHEDULE A

DESCRIPTION OF UNITS

Quantity: 185

Description: 52' 100-ton gondolas bearing the following marks and numbers:

CN 136400 to CN 136406 inclusive,
CN 136408 to CN 136410 inclusive,
CN 136412 to CN 136417 inclusive,
CN 136419 to CN 136429 inclusive,
CN 136431 to CN 136439 inclusive,
CN 136441 to CN 136447 inclusive,
CN 136449 to CN 136464 inclusive,
CN 136466 to CN 136487 inclusive,
CN 136489 to CN 136499 inclusive,

CN 136500 to CN 136508 inclusive,
CN 136512 to CN 136535 inclusive,
CN 136537 to CN 136540 inclusive,
CN 136542,
CN 136544 to CN 136546 inclusive,
CN 136548 to CN 136550 inclusive,
CN 136552 to CN 136553 inclusive,
CN 136555 to CN 136568 inclusive,
CN 136570 to CN 136584 inclusive,
CN 136586 to CN 136589 inclusive,
CN 136591 to CN 136592 inclusive,
CN 136594 to CN 136598 inclusive, and

CN 188414¹ to CN 188415² inclusive.

¹ Gondola originally marked CN 136411; and

² Gondola originally marked CN 136418.