

RECORDATION NO. 23966-2 FILED

DEC 04 '07 -3 44 PM

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SURFACE TRANSPORTATION BOARD

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ELLSWORTH C. ALVORD (1964)

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OF COUNSEL
URBAN A. LESTER

December 4, 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 Extension, dated as of May 1, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents previously filed with the Board under Recordation Numbers 23966-H, 23966-K and 23966-L.

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

Lessor: North American Rail Leasing #2 LLC
d/b/a Babcock & Brown Rail Funding LLC
1 Dag Hammarskjold Plaza
885 Second Avenue, 49th Floor
New York, NY 10017

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

Mr. Vernon A. Williams
December 4, 2007
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A description of the railroad equipment covered by the enclosed document
is:

73 boxcars within the series AOK 120001 - AOK 120144 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 Extension.

Also enclosed is a check in the amount of \$35.00 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

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MEMORANDUM OF LEASE EXTENSION

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE EXTENSION is entered into as of May 1, 2007 between North America Rail Leasing #2 LLC (d/b/a Babcock & Brown Rail Leasing) (as ultimate assignee of Greenbrier Leasing Corporation) ("Lessor") and Canadian National Railway Company (as assignee of BC Rail Partnership) ("Lessee") in connection with, pursuant to and in accordance with the Lease Agreement dated as of March 1, 2002 and Schedule No. 4 thereto dated as of September 1, 2003 ("Schedule No. 4"), as amended, modified or supplemented (referred to herein collectively as the "Agreement", the defined terms therein being used herein with their defined meanings unless otherwise defined herein). The Lessor and together with the Lessee referred to herein as the "Parties".

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Parties have entered into Lease Extension Agreement No. 01 as of May 1, 2007, covering the equipment listed on Exhibit A hereto (the "Cars") and wish to show for the public record the existence of the Lease Extension Agreement No. 01 and the respective interests therein of the Parties.

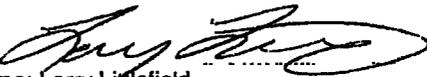
NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Lease Extension Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

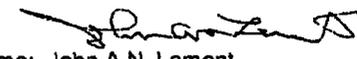
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Lease Extension to be executed by a duly authorized officer as of the day and year as set forth below.

NORTH AMERICA RAIL LEASING #2 LLC, as Lessor

By: 
Name: Larry Littlefield
Title: Vice President
Date: 11/5/07

CANADIAN NATIONAL RAILWAY COMPANY, as Lessee

By: 
Name: John A.N. Lamont
Title: Sr Manager, Asset Finance
Date: 11/13/07

STATE OF Connecticut)

) SS:

COUNTY OF Fairfield)

On Nov. 5, 2007, before me, Linda Ardito, Notary Public, personally appeared Larry Littlefield personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

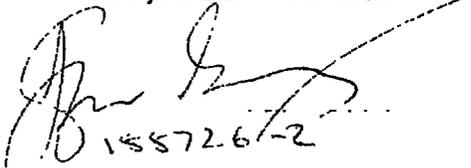


LINDA ARDITO
Notary Public
State of Connecticut
My Commission Expires April 30, 20 10

STATE OF QUEBEC)
) SS:
CITY
COUNTY OF MONTREAL)

On Nov. 13, 2007, before me, J-F G... ^{Attorney} Notary Public, personally appeared John Lambert personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seat.



0155726-2

EXHIBIT A

Number of Cars and Car Description

Seventy-three (73) 60' Plate E Boxcars with double 8' sliding doors
built by Gunderson, Inc. in 2003, AAR Car Type Code B617

Car Marks and Numbers

AOK 120001
AOK 120002
AOK 120003
AOK 120005
AOK 120006
AOK 120007
AOK 120010
AOK 120012
AOK 120017
AOK 120018
AOK 120019
AOK 120021
AOK 120023
AOK 120024
AOK 120025
AOK 120029
AOK 120031
AOK 120035
AOK 120036
AOK 120038
AOK 120040
AOK 120041
AOK 120042
AOK 120043
AOK 120044
AOK 120045
AOK 120046
AOK 120048
AOK 120049
AOK 120050
AOK 120051
AOK 120052
AOK 120056
AOK 120057
AOK 120059
AOK 120061
AOK 120063

Number of Cars and Car Description

Seventy-three (73) 60' Plate E Boxcars with double 8' sliding doors
built by Gunderson, Inc. in 2003, AAR Car Type Code B617

Car Marks and Numbers

AOK 120065
AOK 120071
AOK 120072
AOK 120073
AOK 120076
AOK 120081
AOK 120083
AOK 120086
AOK 120091
AOK 120092
AOK 120093
AOK 120094
AOK 120096
AOK 120097
AOK 120098
AOK 120102
AOK 120103
AOK 120105
AOK 120106
AOK 120109
AOK 120110
AOK 120111
AOK 120112
AOK 120113
AOK 120114
AOK 120116
AOK 120119
AOK 120125
AOK 120128
AOK 120136
AOK 120137
AOK 120138
AOK 120139
AOK 120141
AOK 120143
AOK 120144

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: 12/11/07



Robert W. Alvord