

NOV - 1 '99

8-30AM

**HOPKINS & SUTTER**

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

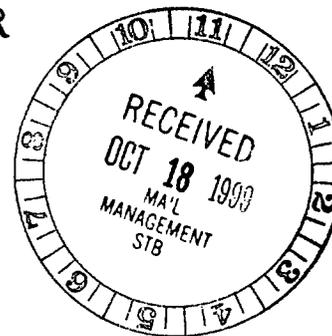
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MARY P. SCLAWY  
 (248) 740-6602  
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 E-Mail: [MSclawy@hopsut.com](mailto:MSclawy@hopsut.com)

October 11, 1999

Secretary  
 Surface Transportation Board  
 Room 704  
 1925 K Street, NW  
 Washington, DC 20423-0001

Dear Secretary:

Enclosed for recordation pursuant to statute and 49 CFR 1177 are counterparts of a Release and Discharge of a security interest in rolling stock and of an assignment of a lease, dated as of September 15, 1999 and executed by The Royal Trust Company as Trustee. The Release pertains to an Indenture, dated as of November 1, 1975, and the granting of a security interest in rolling stock and of the assignment of the lease in the equipment as security. The units covered by the Indenture are covered hopper cars and bulkhead flat cars, more specifically described in Schedule A, attached.

The Indenture was recorded with the ICC on December 4, 1975 under primary recordation number 8140.

The parties to the Indenture and the lease assigned thereby are:

Trustee: The Royal Trust Company, *represented by CIBC Mellon Trust Company*

Owner/  
 Lessor: Peterson, Howell & Heather (Canada) Limited, *n/k/a*

PHH Canada Inc.

Lessee: Canadian National Railway Company.

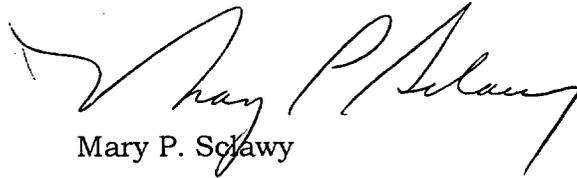
Enclosed is our check in the amount of \$26.

Secretary  
October 11, 1999  
Page 2

Please accept one counterpart of this document for filing, stamp the remaining counterparts with your recordation number and return them and the fee receipt to the undersigned at the following address:

Mary P. Sclawy  
Hopkins & Sutter  
2800 Livernois  
Suite 220  
Troy, MI 48083-1240

Sincerely,



Mary P. Sclawy

Enclosure

cc: John A.N. Lamont: Re CA 2042-46

**The Royal Trust Company, represented by CIBC Mellon Trust Company  
2001 University  
16<sup>th</sup> Floor  
Montreal Quebec, Canada H3A 2A6**

**Peterson, Howell & Heather (Canada) Limited, n/k/a PHH Canada Inc.  
350 Burnhamthorpe Road  
Suite 700  
Mississauga Ontario, Canada L5B 3P9**

**Canadian National Railway Company  
935 de La Gauchetiere Street West  
Montreal Quebec, Canada H3B 2M9**

## RELEASE AND DISCHARGE

NOV - 1 '99

8-30AM

dated as of September 15, 1999

of Indenture bearing formal date of November 1, 1975.

**WHEREAS**, The Royal Trust Company as trustee ("Trustee") [represented by *CIBC Mellon Trust Company*] and Peterson, Howell & Heather (Canada) Limited (now known as *PHH Canada Inc.*) as owner (the "Company") entered into an Indenture dated as of November 1, 1975 (the "Indenture") whereby, among other things, the Trustee retained i) a security interest in the Equipment (as defined below) and ii) an assignment of the Lease (as defined below) until the Company fully satisfied its obligations thereunder;

**WHEREAS**, the Company as lessor and Canadian National Railway Company as lessee entered into a Lease of Railroad Equipment dated as of November 3, 1975 (the "Lease") covering the units of railroad rolling stock more particularly described in Schedule A hereto (the "Equipment"); and

**WHEREAS**, the Company has fully discharged and satisfied its obligations under the Indenture (including, among other things, the full and final repayment all principal moneys, and interest due, on the \$5,800,000 10.125% Notes (as defined in the Indenture) due September 1, 1989).

**NOW THEREFORE**, the Trustee hereby i) releases and discharges all its estate, right, title and interest in the mortgaged property including, among other things, all its interests in the Lease and the Equipment thereunder and ii) acknowledges and agrees that the assignment of the Lease, to the Trustee, has terminated.

**IN WITNESS WHEREOF**, the Trustee has caused this Release and Discharge to be executed, by its officer thereunto duly authorized, as of the year and day first above written.

**THE ROYAL TRUST COMPANY,**  
as Trustee

By: E. Reinhold  
Its: Authorized Officer

By: [Signature]  
Its: AUTHORIZED OFFICER

Note: On December 4, 1975 at 4:40 P.M., the Indenture was filed with the Interstate Commerce Commission (predecessor to the Surface Transportation Board) pursuant to Section 20c of the Interstate Commerce Act (now 49 U.S.C. S11301) and assigned recordation number 8140.

On November 6, 1975, the Lease of Railroad Equipment was deposited in the Office of the Registrar General of Canada pursuant to Section 86 (which became Section 90) of the Railway Act of Canada (now Section 105 of the Canada Transportation Act). (N.B.: The foregoing Lease replaced the Lease of Railroad Equipment dated as of August 28, 1975.)

CN File Reference: 2042-46

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PROVINCE OF QUEBEC ) *In the matter of a Release & Discharge*  
DISTRICT OF MONTREAL ) *dated as of September 15, 1999.*

On this 27 day of September, 1999, before me personally appeared E. REINHOLD & P. TREMBLAY to me personally known, who, being by me duly sworn, says that he / she is AUTHORIZED OFFICERS of CIBC Mellon Trust Company, that the foregoing instrument was signed on behalf of said corporation 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 corporation.

  
Commissioner for Oaths

My commission expires: 05/12/2000

[Seal]



SCHEDULE A

<u>Type and Specifications</u>	<u>Quantity</u>	<u>Road Numbers (inclusive)</u>	<u>Unit Cost (1) (U.S. funds)</u>	<u>Aggregate Cost of all Units (1) (U.S. funds)</u>
100-ton Covered Hopper Cars	190	CN 371702 - CN 371891	\$24,954.90	\$4,741,431.00
70-ton Bulkhead Flat Cars	94	CN 603025 - CN 603031, CN 603037 - CN 603083, CN 603085 - CN 603106, CN 603108 - CN 603110, CN 603112 - CN 603116, CN 603118 - CN 603120, CN 603123, CN 603125 - CN 603127 and CN 603129 - CN 603131	19,326.01	1,816,644.94

(1) Converted to United States funds on the basis of \$1.00 Cdn. = \$0.965 U.S.

\$6,558,075.94