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RECORDATION NO. 18298-A FILED

OCT 30 '98 3-21 PM

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

OF COUNSEL
URBAN A. LESTER

October 30, 1998

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 Partial Discharge, dated as of July 15, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to the Deed of Trust and Mortgage which was previously filed with the Commission under Recordation Number 18298

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

Secured Party Montreal Trust Company
1800 McGill College Avenue
Montreal, Quebec H3A 3K9
CANADA

A description of the railroad equipment covered by the enclosed document is set forth on Schedule I attached to the Partial Discharge

Mr. Vernon A Williams
October 30, 1998
Page 2

Also enclosed is a check in the amount of \$26 00 payable to the order of the
Surface Transportation Board covering the required recordation fee

Kindly return one stamped copy of the enclosed document to the undersigned

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W Alvord", with a stylized flourish at the end.

Robert W Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

DATE: 10/30/98

Robert W. Alvord
Alvord and Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

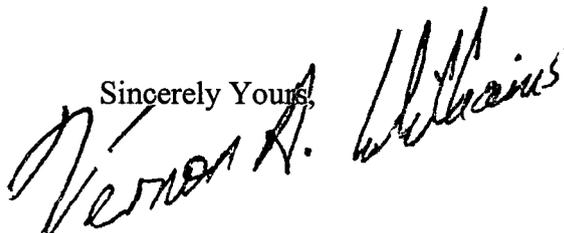
Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3(c), on 10/30/98 at 3:21 PM , and

assigned recordation number(s). 21763, 21764, 21765, 10810- C, 10811-B, 10812-B
18298-A and 19044-A.

Sincerely Yours,



Vernon A. Williams

Enclosure(s) (8)
208.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



**PARTIAL DISCHARGE OF A HYPOTHEC CREATED
PURSUANT TO A TRUST DEED**

RECORDATION NO.

18298-A
FILED

TO CGTX INC.

OCT 30 '98

3-21 PM

MONTREAL TRUST COMPANY (hereinafter called the "Trustee"), a trust company organized under a Special Act of the Legislature of the Province of Quebec referred to as an Act to amalgamate Montreal Trust Company, Crédit Foncier and Crédit Foncier Trust Company as at January 1, 1987 (1986, Chapter 135) and continued as a trust company under the Federal Trust and Loan Companies Act by way of Letters Patent of Continuance issued as at August 17, 1994, having an office at Montreal, Province of Quebec, hereinacting and represented by Carole Ghanimé, its Corporate Trust Officer, and by Rose-Marie Labbé, its Trust Officer, hereunto duly authorized in virtue of a Power of Attorney, adopted on the Twenty-First (21st) day of April, Nineteen Hundred and Ninety-Eight (1998), whereof a copy remains hereto annexed after having been acknowledged true by the said representatives and signed by them for identification, declares and acknowledges as follows:

THAT under the provisions of a Deed of Trust and Mortgage and correlated Trust Deed of Hypothec, Mortgage and Pledge both bearing formal date of July 15, 1993 (collectively, the "Trust Deed") between CGTX INC. (the "Company") and Montreal Trust Company, as Trustee, the Company charged certain equipment to secure \$30,000,000 principal amount of its 7.60% First Mortgage Equipment Notes due July 15, 1998 (the "1998 Notes") and \$30,000,000 principal amount of its 8.35% First Mortgage Equipment Notes due July 15, 2003 (the "2003 Notes") (the 1998 Notes and the 2003 Notes collectively, the "Notes");

THAT the Company has represented to the Trustee that it was amalgamated under the provisions of subsection 184(1) of the Canada Business Corporations Act with 3257002 Canada Inc. by Articles of Amalgamation dated October 1, 1996 under the name CGTX INC. (the "Corporation");

THAT in accordance with the provisions of Article XIX of the Trust Deed, the Corporation and the Trustee entered into a First Supplemental Deed of Trust, bearing formal date of December 10, 1996 (the "First Supplement");

THAT certain replacement equipment has been subjected to the charges of the Trust Deed under (i) a Second Supplemental Deed of Trust and Second Supplemental Deed of Hypothec, both bearing formal date of January 15, 1997 (collectively, the "Second Supplement"), (ii) a Third Supplemental Deed of Trust and Third Supplemental Deed of Hypothec, both bearing formal date of June 1, 1997 (collectively, the "Third Supplement") and (iii) a Fourth Supplemental Deed of Trust and a Fourth Supplemental Deed of Hypothec, both bearing formal date of December 15, 1997 (collectively, the "Fourth Supplement") (the Trust Deed, the First Supplement, the Second Supplement, the Third Supplement and the Fourth Supplement are herein called collectively, the "Trust Deeds");

THAT the 1998 Notes have been paid at maturity;

THAT, pursuant to Section 5.03 of the Trust Deeds, the Corporation has requested the Trustee to release from the lien of the Trust Deeds the units of equipment subject thereto which are no longer required to comply with the provisions of Section 6.01(p) of the Trust Deeds;

THAT the Corporation has represented to the Trustee that the railway equipment (the "Released Equipment") identified in Schedule I hereto is no longer required for such purposes since the Value of the other equipment (the "Remaining Equipment") subject to the lien of the Trust Deeds is not less than \$36,000,000;

THAT the Corporation has represented to the Trustee that the average Value of the individual units of the Remaining Equipment and the average annual rental derived therefrom are not less than the average Value of the individual units of the Released Equipment and the average annual rental derived therefrom;

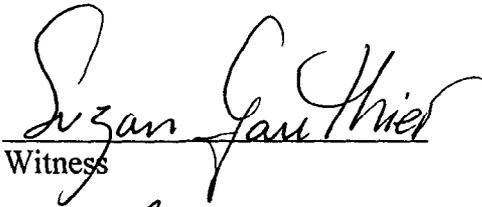
THAT the Corporation has represented to the Trustee that interest of the holders of the 2003 Notes will not be prejudiced by the release of the Released Equipment; and

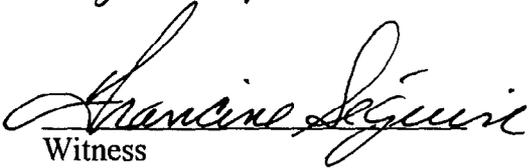
THAT the Trustee has consented to the release of the Released Equipment from the lien of the Trust Deeds.

CONSEQUENTLY, the Trustee:

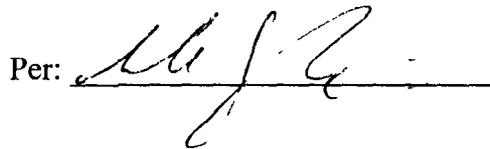
- (1) puts an end to the Trust and gives mainlevée of the hypothecs, mortgages, pledges and other charges resulting in its favour from the Trust Deeds in respect of the Released Equipment;
- (2) waives all rights created in its favour in respect of the Released Equipment;
- (3) insofar as necessary, hereby retrocedes and transfers back to the Corporation the property and rights which the latter had ceded and transferred to it in respect of the Released Equipment;
- (4) agrees that the hypothec and security interest created pursuant to the Trust Deeds be reduced to thirty-six million dollars (\$36,000,000) and interest thereon at the rate of twenty percent (20%);
- (5) agrees to make all necessary radiations in the Register of Personal and Moveable Real Rights (Quebec) and otherwise to give effect to the foregoing.

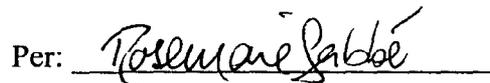
IN WITNESS WHEREOF, the said representatives of the Trustee have executed these presents at the City of Montreal, in the Province of Quebec, as of the Fifteenth (15th) day of July, Nineteen Hundred and Ninety-Eight (1998).


Witness


Witness

MONTREAL TRUST COMPANY

Per: 

Per: 

Schedule I

CGLX 01548, CGLX 01549, CGLX 01755, CGLX 01757, CGLX 01867, CGLX 01868,
CGLX 01870, CGLX 01871, CGLX 01872, CGLX 01873, CGLX 01874, CGLX 01875,
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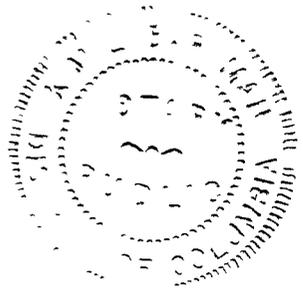
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UNCX 815898, UNCX 815899

District of Columbia)
)
City of Washington) ss

I, KIM L BARTMAN, Notary for the District of Columbia, hereby certify that the attached "Partial Discharge of a Hypothec Created Pursuant to a Trust Deed", dated as of July 15, 1998 between MONTREAL TRUST COMPANY and CGTX INC., is a true and complete copy of the original thereof

Certified this 29th day of October, 1998



Kim L. Bartman

NOTARY PUBLIC

My commission expires 3-31-2000