RECORDATION NO. 14759-B FILED

DEC 19 '01 3:12 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1600 K STREET, NW
SUITE 200
WASHINGTON, D.C.
20006-2973

(202) 393-2266
FAX (202) 393-2156

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

OF COUNSEL
URBAN A. LESTER

December 19, 2001

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 Release, Reconveyance and Statement of Trustee, dated as of November 13, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Trust Indenture which was previously filed with the Commission under Recordation Number 14759.

The name and address of the party to the enclosed document are:

Trustee: Montreal Trust Company of Canada
100 University Avenue, 12th Floor
Toronto, Ontario
CANADA M5J 2Y1

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

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

Twenty-three (23) SD50 diesel-electric locomotives; CN 5408 – CN 5430.

14759-B 3 12

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

Release, Reconveyance and Statement of Trustee (Full Release).

Also enclosed is a check in the amount of $28.00 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

RECORDATION NO. 14759-B FILED

DEC 19 '01 3-12 PM

SURFACE TRANSPORTATION BOARD

RELEASE, RECONVEYANCE AND STATEMENT OF TRUSTEE

dated as of November 13, 2001

WHEREAS, The Canada Trust Company ("CTC") and **Procor Limited** (the "Company") entered into a Trust Indenture dated as of June 26, 1985 (the "Trust Indenture") whereby, among other things, the Company i) granted the Trustee (as such term is defined in the Trust Indenture) a security interest in, and mortgage on, the twenty-three (23) SD50F 3600 horse-power diesel-electric locomotives marked **CN 5408 to CN 5430 inclusive** (the "Equipment") and ii) assigned all its rights and interests in the Lease (as defined hereinbelow) to the Trustee;

WHEREAS, CTC, the Company and **Montreal Trust Company of Canada** ("MTCC") entered into i) a Supplemental Trust Indenture dated as of May 1, 1989 and ii) a Supplemental Trust Deed bearing formal date of May 1, 1989, whereby, among other things, MTCC succeeded CTC as Trustee under the Trust Indenture;

WHEREAS, the Company as lessor and **Canadian National Railway Company** (the "Lessee") as lessee entered into a Lease of Railroad Equipment dated as of June 26, 1985 (the "Lease") covering the Equipment;

AND WHEREAS, as of the date hereof, all amounts of principal and interest, due in connection with the Notes (as such term is defined in the Trust Indenture) issued pursuant to the Trust Indenture, have been paid or due provision has been made satisfactory to the Trustee for the payment of such amounts of principal and interest.

NOW THEREFORE, the Trustee hereby i) cancels and discharges the charges created on the Mortgaged Property (as such term is defined in the Trust Indenture) in Section 6.1 of the Trust Indenture (including, but without limitation, its security interest in, and mortgage on, the Equipment); ii) reconveys and reassigns unto the Company all right, title and interest of the Trustee in the Mortgaged Property (including, but without limitation, the Equipment and the Lease), iii) states that the title to the Equipment is free and clear of all liens, security interests and other encumbrances arising pursuant to the Trust Indenture.

IN WITNESS WHEREOF, the Trustee has caused this Release, Reconveyance

and Statement to be executed, by its officers thereunto duly authorized, as of the day and year first above written.

MONTREAL TRUST COMPANY OF CANADA, not in its individual capacity but solely as trustee

By: _____
J. Robert Armstrong
Its: Assistant Secretary

By: _____
T. A. Martinuk
Its: Vice President

Federal Recordation Particulars:

1) **Surface Transportation Board**

On July 8, 1985 at 3:30 P.M., the Lease was filed with the Interstate Commerce Commission (predecessor to the Surface Transportation Board) pursuant to Section 11303 (now Section 11301) of Title 49 of the *United States Code* and assigned recordation number 14726. On August 1, 1985, the Trust Indenture was similarly filed and assigned recordation number 14759. On July 2, 1999 at 9:30 A.M., the Supplemental Trust Indenture was similarly filed and assigned secondary recordation numbers 14726-A and 14759-A.

2) **Registrar General of Canada**

On July 8, 1985, the Lease 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*). On July 31, 1985, the Trust Indenture was similarly deposited. On June 22, 1999, such Supplemental Trust Indenture was similarly deposited. Notices, in respect of all such deposits, were published in the *Canada Gazette*.

CN Reference: 2042-65

PROVINCE OF ONTARIO)
)
CITY OF TORONTO)

In the matter of a Release, Reconveyance And Statement of Trustee dated as of November 13, 2001

On this 16th day of November, 2001, before me personally appeared J. Robert Armstrong, to me personally known, who, being by me duly sworn, says that he is an Assistant Secretary of Montreal Trust Company of Canada, and that the foregoing instrument was signed on behalf of said corporation 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 corporation.

Notary Public

My commission expires: not applicable RA

[Notarial Seal]

PROVINCE OF ONTARIO)
)
CITY OF TORONTO)

In the matter of a Release, Reconveyance And Statement of Trustee dated as of November 13, 2001

On this 16th day of November, 2001, before me personally appeared T. A. Martinuk, to me personally known, who, being by me duly sworn, says that he is a Vice President of Montreal Trust Company of Canada, and that the foregoing instrument was signed on behalf of said corporation 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 corporation.

Notary Public

My commission expires: not applicable RA

[Notarial Seal]