

MARCH 1 1973

FIRST AMENDMENT  
TO EQUIPMENT LEASE, ASSIGNMENT,  
CHATTEL MORTGAGE AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO EQUIPMENT LEASE, ASSIGNMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT dated as of February 15, 1973 among TRUST COMPANY FOR USL, INC., a trust company organized under the laws of the State of Illinois, not in its individual capacity but as Trustee under a Trust Agreement dated as of December 15, 1972 (the "Lessor"), UNITED STATES LEASING INTERNATIONAL, INC., a California corporation, as agent for the Lessor (the "Agent"), GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan corporation (the "Lessee") and WESTERN SAVING FUND SOCIETY OF PHILADELPHIA, (the "Secured Party");

W I T N E S S E T H:

WHEREAS, the Lessor, the Agent, the Lessee and the Secured Party have heretofore executed and delivered that certain Equipment Lease, Assignment, Chattel Mortgage and Security Agreement dated as of December 15, 1972 (the "Lease-Security Agreement") providing for the lease and delivery thereunder by the Lessor to the Lessee of certain railroad equipment more fully described in the Schedules attached to said Lease-Security Agreement and the grant by the Lessor to the Secured Party of a mortgage and security interest in said railroad equipment and the rents and other sums due and to become due under Part I of the Lease-Security Agreement; and

WHEREAS, the said Lease-Security Agreement was filed for record in the Office of the Secretary of the Interstate Commerce Commission on January 26, 1973 at 2:30 P.M. and has been assigned Recordation No. 6878; and

WHEREAS, the said Lease-Security Agreement was filed for record in the Office of the Registrar-General of Canada on January 26, 1973 at 4:35 P.M.; and

WHEREAS, the Lessor and the Lessee desire to amend the Lease-Security Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt whereof is hereby acknowledged, the Lessor, the Agent, the Lessee and the Secured Party hereby covenant and agree that the Lease-Security Agreement shall be deemed to be and it is hereby amended as follows:

1. By amending the definition of "Note or Notes:" in the "DEFINED TERMS" Section of the Lease-Security Agreement to read in its entirety as follows:

(G.T.W. Trust No. 8)

6878-a  
RECORDATION NO. \_\_\_\_\_ Filed & Recorded

MAR 21 1973 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

"Note or Notes: The term "Note" shall mean any of, and the term "Notes" shall mean all of, the 7-3/4% Secured Notes of the Trustee issued and outstanding under the Loan Agreement."

2. By amending Section 19 of the Lease as executed to delete the reference to an interest rate of "8-1/2%" per annum and to substitute therefor an interest rate of "8-3/4%" per annum.

3. By deleting the last full paragraph of Section 24.1(b) of the Lease as executed and substituting therefor the following:

"The term "Present Value of Rents" for any Item of Equipment shall mean as of any date an amount equal to the aggregate Periodic Rents in respect of such Item reserved for the balance of the rental period originally provided for in Section 2 hereof and remaining unpaid as of the close of business on such date, discounted on the basis of a 7-3/4% per annum interest factor compounded semiannually to the respective dates on which the Periodic Rents for such Item are payable, with all such discounts to be computed on the basis of a 360-day year of twelve 30-day months, provided, however, that in the event that an adjustment is made in the Asset Guideline Period with respect to the Equipment pursuant to Section 27.4 hereof, then from and after the date notification of such adjustment is received by the Lessee from the Lessor or the Agent, the term "Present Value of Rents" for any Item of Equipment shall mean an amount equal to the aggregate Periodic Rent in respect of such Item (after deducting from the remaining installments thereof an amount equal to .0483% of the total cost of such Item) reserved for the balance of the rental period originally provided for in Section 2 hereof and remaining unpaid as of the close of business on such date, discounted on the basis of a 7-3/4% per annum interest factor compounded semiannually to the respective dates on which the Periodic Rents for such Item are payable, with all such discounts to be computed on the basis of a 360-day year of twelve 30-day months."

4. By amending Section 27.4 of the Lease as executed to delete the reference to ".0435%" in the last full paragraph thereof and to substitute therefor ".0483%."

5. By deleting Schedules 1-A, 1-B, 1-a, 1-b, 2-I and 2-II from the Lease-Security Agreement as executed and by substituting therefor Schedules 1-A, 1-B, 1-a, 1-b, 2-I and 2-II attached to this First Amendment to Equipment Lease, Assignment, Chattel Mortgage and Security Agreement.

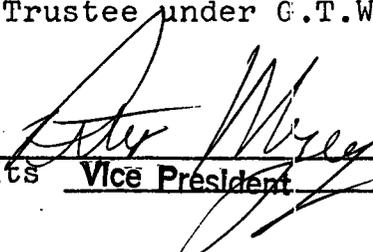
Whenever in any certificate, letter, notice or other instrument reference is made to the Equipment Lease, Assignment, Chattel Mortgage and Security Agreement, such reference shall be deemed to include reference to this Amendment.

This Amendment may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Amendment.

Except to the extent hereby amended and modified, the Equipment Lease, Assignment, Chattel Mortgage and Security Agreement is in all respects ratified, confirmed and approved.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunder duly authorized and their corporate seals to be hereto affixed as of the day and year first above written.

TRUST COMPANY FOR USL, INC.,  
as Trustee under G.T.W. Trust No. 8

By   
Its Vice President

(CORPORATE SEAL)

Attest:

  
Joanne L. Miller  
Assistant Secretary

GRAND TRUNK WESTERN RAILROAD COMPANY

By

*[Signature]*  
Its Vice President LESSEE  
Corp. Plng. & Finance

(CORPORATE SEAL)

Attest:

*[Signature]*  
Secretary

UNITED STATES LEASING INTERNATIONAL,  
INC.

By

*[Signature]*  
Its President AGENT FOR LESSOR

(CORPORATE SEAL)

Attest:

*[Signature]*  
Assistant Secretary

WESTERN SAVING FUND SOCIETY  
OF PHILADELPHIA

By

*[Signature]*  
Its VICE PRES

(CORPORATE SEAL)

Attest:

*[Signature]*  
ASSISTANT VICE PRESIDENT

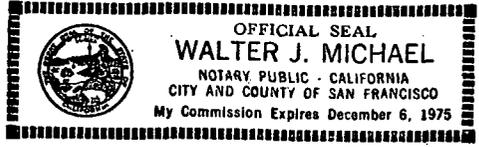
STATE OF CALIFORNIA )  
 ) SS  
CITY AND COUNTY OF SAN FRANCISCO )

On this 5<sup>th</sup> day of March, 1973, before me personally appeared PETER MEZEY, to me personally known, who being by me duly sworn, says that he is the Vice President of TRUST COMPANY FOR USL, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed 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.

Walter J. Michael

(SEAL)

My commission expires:



COUNTY OF Wayne )  
 ) SS  
STATE OF Mich. )

On this 19<sup>th</sup> day of March, 1973, before me personally appeared D. B. Wooden, to me personally known, who being by me duly sworn, says that he is a Vice President of GRAND TRUNK WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

Joan A. Pietryka

(SEAL)

My commission expires:

JOAN A. PIETRYKA  
Notary Public, Macomb County, Mich.  
Acting in Wayne County, Mich.  
My Commission Expires 11-11-75

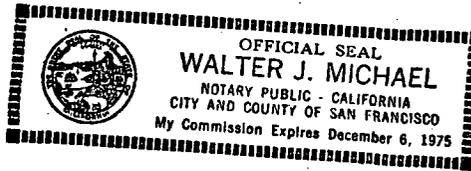
STATE OF CALIFORNIA )  
 ) SS  
CITY AND COUNTY OF )  
SAN FRANCISCO )

On this 5<sup>th</sup> day of March, 1973, before me, personally appeared D. E. MUNDELL, to me personally known, who being by me duly sworn, says that he is a ~~Vice~~ President of UNITED STATES LEASING INTERNATIONAL, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

Walter J. Michael

(SEAL)

My commission expires:



STATE OF Penna)  
 ) SS  
COUNTY OF Phila)

On this 5<sup>th</sup> day of March, 1973, before me, personally appeared John W. York, to me personally known, who being duly sworn, says that he is VICE PRES. of WESTERN SAVING FUND SOCIETY OF PHILADELPHIA, that the foregoing instrument was signed on behalf of said Society 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 Association.

Dante M. Crelli

(SEAL)

My commission expires:

Notary Public, Philadelphia, Philadelphia Co.  
My Commission Expires April 16, 1973

SCHEDULE 1-A

( 11-year ADR )

MANUFACTURER: Bethlehem Steel Corporation

DESCRIPTION OF EQUIPMENT: 12 89'4" Flush Deck 70-ton Flat Cars, bearing Road Numbers G.T.W. 303460 to 303471, both inclusive

PRICE: \$218,220.00 ( \$18,185.00 per car )

DELIVER TO: Grand Trunk Western Railroad Company as designated by the Railroad

OUTSIDE DELIVERY DATE: June 30, 1973

PERIODIC RENTAL PAYMENTS: Thirty (30) semi-annual rental payments, each in advance, at \$795.90 per car, or an aggregate of \$9,550.80 for all 12 cars.

DAILY INTERIM RENT: \$4.4217 per car per day

In the event the price of any Items covered by this Schedule is greater or less than the amount shown above, the rentals for such Item shall be ratably increased or reduced.

All "Dollar" amounts are expressed in the U.S. Dollar.

LESSEE: Grand Trunk Western Railroad - Trust No. 8  
TRUSTOR: City National Bank of Detroit  
LENDER: Western Saving Fund Society of Philadelphia

Schedule 1-A  
( to Lease - Security Agreement )

SCHEDULE 1-B

( 11-year ADR )

MANUFACTURER: Ortner Freight Car Company

DESCRIPTION OF EQUIPMENT: 100 50'6" 100-ton Gondola Cars  
bearing Road Numbers G.T.W.  
- 147600 to 147699, both inclusive

PRICE: \$1,469,857.00 ( \$14,698.57 per car )

DELIVER TO: Grand Trunk Western Railroad Company,  
as designated by the Railroad

OUTSIDE DELIVERY DATE: June 30, 1973

PERIODIC RENTAL PAYMENTS: Thirty (30) semi-annual rental payments,  
each in advance, at \$643.31 per car, or  
an aggregate of \$64,331.00 for all  
100 cars.

DAILY INTERIM RENT: 3.57395 per car per day

In the event the price of any Items covered by this  
Schedule is greater or less than the amount shown above, the  
rentals for such Item shall be ratably increased or reduced.

All "Dollar" amounts are expressed in the U.S. Dollars.

LESSEE: Grand Trunk Western Railroad - Trust #8  
TRUSTOR: City National Bank of Detroit  
LENDER: Western Saving Fund Society of Philadelphia

Schedule 1-B  
( to Lease - Security Agreement )

Schedule 1-a

( 12-year ADR )

MANUFACTURER: Bethlehem Steel Corporation

DESCRIPTION OF EQUIPMENT: 12 89'4" Flush Deck 70-ton Flat Cars, bearing Road Numbers G.T.W. 303460 to 303471, both inclusive

PRICE: \$218,220.00 ( \$18,185.00 per car )

DELIVER TO: Grand Trunk Western Railroad Company, as designated by the Railroad

OUTSIDE DELIVERY DATE: June 30, 1973

PERIODIC RENTAL PAYMENTS: Thirty (30) semi-annual rental payments, each in advance, at \$804.69 per car, or an aggregate of \$9,656.28 for all 12 cars.

DAILY INTERIM RENT: \$4.4705 per car per day

In the event the price of any Items covered by this Schedule is greater or less than the amount shown above, the rentals for such Item shall be ratably increased or reduced.

All "Dollar" amounts are expressed in the U.S. Dollars.

LESSEE: Grand Trunk Western Railroad - Trust No. 8  
TRUSTOR: City National Bank of Detroit  
LENDER: Western Saving Fund Society of Philadelphia

Schedule 1-a  
( to Lease - Security Agreement )

SCHEDULE 1-b

( 12-year ADR)

MANUFACTURER: Ortner Freight Car Company

DESCRIPTION OF EQUIPMENT: 100 50'6" 100-ton Gondola Cars,  
bearing Road Numbers G.T.W.  
147600 to 147699, both inclusive

PRICE: \$1,469,857.00 ( \$14,698.57 per car )

DELIVER TO: Grand Trunk Western Railroad Company,  
as designated by the Railroad

OUTSIDE DELIVERY DATE: June 30, 1973

PERIODIC RENTAL PAYMENTS: Thirty (30) semi-annual rental  
payments, each in advance, at \$650.41  
per car, or an aggregate of \$65,041.00  
for all 100 cars.

DAILY INTERIM RENT: \$3.6134 per car per day

In the event the price of any Items covered by this  
Schedule is greater or less than the amount shown above, the  
rentals for such Item shall be ratably increased or reduced.

All "Dollar" amounts are expressed in the U.S. Dollars.

LESSEE: Grand Trunk Western Railroad - Trust No. 8  
TRUSTOR: City National Bank of Detroit  
LENDER: Western Saving Fund Society of Philadelphia

Schedule 1-b  
( to Lease - Security Agreement )

SCHEDULE OF CASUALTY VALUES

( 11-year ADR )

CASUALTY VALUE: The following per cent of original cost to Lessor of an Item of Equipment, including all taxes and delivery charges, is to be paid in United States Dollars on a rental payment due date pursuant to Section 11 of the Lease-Security Agreement as the result of an Item becoming the subject of a Casualty Occurrence, depending upon when the Casualty Value is paid:

<u>After Rental Payment No.</u>	<u>Payable on Date and in lieu of Payment No.</u>	<u>Casualty Value Payable Per Item (in lieu of rental payment for such item due on such date)</u>
0	1	107.000
1	2	107.625
2	3	108.125
3	4	108.250
4	5	108.125
5	6	107.875
6	7	102.125
7	8	101.125
8	9	100.000
9	10	98.500
10	11	91.750
11	12	89.875
12	13	87.625
13	14	85.375
14	15	77.625
15	16	74.875
16	17	71.875
17	18	68.750
18	19	65.625
19	20	62.250
20	21	58.875
21	22	54.875
22	23	50.875
23	24	46.875
24	25	42.750
25	26	38.750
26	27	34.625
27	28	30.500
28	29	26.375
29	30	22.250
30	At or after expiration date of term of lease	15.000

SCHEDULE 2-I  
(to Lease - Security Agreement)

SCHEDULE OF CASUALTY VALUES

( 12-year ADR )

CASUALTY VALUE: The following per cent of original cost to Lessor of an Item of Equipment, including all taxes and delivery charges, is to be paid in United States Dollars on a rental payment due date pursuant to Section 11 of the Lease-Security Agreement as the result of an Item becoming the subject of a Casualty Occurrence, depending upon when the Casualty Value is paid:

<u>After Rental Payment No.</u>	<u>Payable on Date and in lieu of Payment No.</u>	<u>Casualty Value Payable Per Item (in lieu of rental payment for such item due on such date)</u>
0	1	106.875
1	2	107.625
2	3	108.000
3	4	108.125
4	5	108.125
5	6	107.875
6	7	102.250
7	8	101.375
8	9	100.250
9	10	99.000
10	11	92.375
11	12	90.500
12	13	88.500
13	14	86.250
14	15	78.750
15	16	76.125
16	17	73.375
17	18	70.375
18	19	67.250
19	20	64.125
20	21	60.875
21	22	57.000
22	23	53.000
23	24	49.125
24	25	45.000
25	26	41.000
26	27	37.000
27	28	32.875
28	29	28.750
29	30	24.750
30	At or after expiration date of term of lease	15.000

SCHEDULE 2-II  
(to Lease - Security Agreement)