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CONDITIONAL SALE ASSIGNMENT AGREEMENT

Dated as of November 1, 1973

RECORDATION NO. \_\_\_\_\_ Filed & Recorded

DEC 27 1973 -8 55 AM

AMONG

INTERSTATE COMMERCE COMMISSION

HAWKER SIDDELEY CANADA LTD.,

*Manufacturer*

THE FIRST PENNSYLVANIA BANKING AND TRUST COMPANY,

*As Agent and Assignee*

EXCHANGE NATIONAL BANK OF CHICAGO,

*as Trustee*

*as Vendee*

AND

BRITISH COLUMBIA RAILWAY COMPANY,

*as Guarantor*

*as Lessee*

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AGREEMENT AND ASSIGNMENT dated as of November 1, 1973, among HAWKER SIDDELEY CANADA LTD., a corporation duly incorporated under the laws of Canada (the "Manufacturer") and THE FIRST PENNSYLVANIA BANKING AND TRUST COMPANY, acting as Agent and Assignee under Finance Agreement dated as of November 1, 1973 (the "Finance Agreement"), said Bank as so acting being hereinafter called the "Assignee".

WHEREAS, the Manufacturer, EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee (the "Vendee") under a Trust Agreement dated as of November 1, 1973 (the "Trust Agreement") with COMMERCIAL CREDIT CAPITAL CORPORATION, a Delaware Corporation (the "Trustor") and BRITISH COLUMBIA RAILWAY COMPANY, a corporation duly incorporated under the laws of British Columbia, Canada, as Lessee (the "Guarantor"), have entered into an Acquisition Agreement dated as of November 1, 1973 (the "Acquisition Agreement"), covering the construction, sale and delivery on the conditions therein set forth, by the Manufacturer and the purchase by the Vendee of the railroad equipment described in Schedule A to the Acquisition Agreement (collectively the "Equipment" and individually "Items of Equipment").

WHEREAS, the Manufacturer, the Vendee and the Guarantor have entered into a Conditional Sale Agreement dated as of November 1, 1973 (the "Conditional Sale Agreement") providing for the payment of the purchase price (as defined in the Acquisition Agreement) of the Equipment and the obligations of the Vendee and the Guarantor with respect thereto; and

WHEREAS, the Vendee and the Guarantor desire to agree to and acknowledge the assignment by the Manufacturer as hereinafter provided.

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (the "Conditional Sale Assignment Agreement"),

WITNESSETH:

That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Manufacturer, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

SECTION 1. *Assignment by Manufacturer.* The Manufacturer hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) All the right, security title and interest of the Manufacturer in and to each Item of Equipment to be built by it when and as delivered and accepted and upon payment by the Assignee to the Manufacturer of the amount required to be paid under Section 6 hereof and payment by the Vendee of the amount required to be paid under Section 3.2(a) of the Conditional Sale Agreement and Section 3 of the Acquisition Agreement with respect to such Item;

(b) All the right, title and interest of the Manufacturer in and to the Conditional Sale Agreement (except the right to receive the payments specified in subparagraph (a) of Section 3.2 thereof and reimbursement for taxes paid or incurred by the Manufacturer and the right to indemnity from the Guarantor for claims arising against Hawker Siddeley Canada Ltd. as provided in Section 11.1 thereof), and in and to any and all amounts

which may be or become due or owing to the Manufacturer under the Conditional Sale Agreement on account of the indebtedness in respect of the Purchase Price (as defined in the Acquisition Agreement) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee or the Guarantor under the Conditional Sale Agreement, other than those hereinabove excluded;

(c) Except as limited above in subparagraph (b) hereof, all of the Manufacturer's rights, powers, privileges and remedies under the Conditional Sale Agreement; and

(d) All of the Manufacturer's rights, powers, privileges and remedies under the Guaranty Agreement;

without any recourse, however, against the Manufacturer for or on account of the failure of the Vendee or the Guarantor to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement and it is understood and agreed by the parties hereto that upon this assignment Hawker Siddeley Canada Ltd. has no further obligations or liabilities whatsoever under the Conditional Sale Agreement. In furtherance of the foregoing assignment and transfer, the Manufacturer hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Manufacturer to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this assignment and compliance by the Vendee and the Guarantor with the terms and agreements on their parts to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. Covenants and Agreements of Manufacturer. The Manufacturer covenants and agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of each Item of Equipment to be built by it to the Vendee under the Acquisition Agreement it had legal title to such Item and good and lawful right to sell such Item and the title to such Item was free of all claims, liens and encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Guarantor under the Lease (as defined in the Conditional Sale Agreement); and the Manufacturer further covenants and agrees that it will defend the title to such Item built by it against the demands of all persons whomsoever based on claims originating prior to said delivery of such Item by the Manufacturer to the Vendee; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Vendee thereunder and the Guarantor under the Lease.

The Manufacturer agrees that any amount payable to it by the Vendee or the Guarantor, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien or charge on any Items of Equipment.

SECTION 3. Covenants and Agreements of Vendee and Guarantor. The Vendee and the Guarantor acknowledge notice of and agree to the assignment referred to in Section 1 hereof and covenant and agree that the Assignee shall not have any obligations or liabilities under Section 1 of the Conditional Sale Agreement or under the Acquisition Agreement.

The Vendee and the Guarantor further covenant and agree that in no event shall the rights of the Assignee to the entire unpaid indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon, as well as the other rights

assigned by the Manufacturer hereunder, be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer under the Acquisition Agreement or otherwise, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Guarantor by the Manufacturer.

SECTION 4. *Equipment Markings.* The Manufacturer will cause to be plainly, distinctly, permanently and conspicuously marked by a plate or stencil in contrasting color on each side of each Item of Equipment, at the time of delivery thereof to the Vendee, in letters not less than one inch in height, the following legend:

"Leased as Lessor by Exchange National Bank of Chicago, as trustee under Trust Agreement with Commercial Credit Capital Corporation, as Trustor, and subject to a Security Interest recorded, among other places, with the I.C.C."

SECTION 5. *Recordation.* Upon request of the Assignee, its successors and assigns, the Manufacturer will at the expense of the Assignee execute and deliver all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Manufacturer therein or in the Equipment.

SECTION 6. *Conditions Precedent to Payment by Assignee.* The Assignee, on or before noon on each Closing Date fixed as provided in Section 4 of the Acquisition Agreement with respect to a Group (as defined in Section 4 of said Agreement), shall pay in Canadian dollars to the Manufacturer at the office of the Assignee at 15th and Chestnut Streets, Philadelphia, Pennsylvania 19101, an amount equal to that portion of the Purchase Price (as defined in Section 3 of said Agreement) of such Items not required to be paid pursuant to subparagraph (a) of Section 3.2 of the Conditional Sale Agreement (the Assignee's Commitment as referred to in Section 3 of the Acquisition Agreement) provided that there shall have been delivered to the Assignee the following documents, in such number of counterparts or copies as may reasonably be requested, in form and substance satisfactory to special counsel for the Assignee and the Investors hereinafter mentioned:

(a) Bill or Bills of Sale from the Manufacturer to the Assignee, transferring to the Assignee security title to the Items of Equipment in the Group and warranting to the Assignee and to the Vendee that at the time of delivery to the Vendee under the Conditional Sale Agreement the Manufacturer had legal title to such Items and good and lawful right to sell such Items, and title to such Items was free of all claims, liens and encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Guarantor under the Lease;

(b) Certificate of Certificates of Acceptance signed by an inspector or other authorized representative of the Guarantor and Vendee stating that the Items of Equipment in the Group have been inspected and accepted by him on behalf of the Guarantor and the Vendee and further stating that there was plainly, distinctly, permanently and conspicuously marked by a plate or stencil in contrasting color on each side of each of such Items at the time of its acceptance, in letters not less than one inch in height, the following legend:

"Leased as Lessor by Exchange National Bank of Chicago, as Trustee under Trust Agreement with Commercial Credit Capital Corporation, as Trustor, and subject to a Security Interest recorded, among other places, with the I.C.C.";

(c) Invoices for the Items of Equipment in the Group accompanied by or having endorsed thereon a certification by the Guarantor as to the correctness of the prices of such Items as set forth in said invoices;

(d) Opinion of counsel for the Guarantor addressed to the Vendee, the Assignee, and Messrs. Chapman and Cutler, dated as of such Closing Date, to the effect that (i) this Assignment has been duly authorized, executed and delivered by the respective parties hereto and is a valid and binding instrument enforceable in accordance with its terms, (ii) the Assignee is vested with all the rights, titles, interests, powers, privileges and remedies purported to be assigned to it by this Assignment, (iii) security title to the Items of Equipment in the Group is validly vested in the Assignee and such Items, at the time of delivery thereof to the Vendee under the Conditional Sale Agreement, were free of all claims, liens and encumbrances except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Guarantor under the Lease, and stating that (x) the Guarantor is a duly organized and existing corporation in good standing under the laws of its jurisdiction of incorporation, and has the power and authority to own its properties and to carry on its business as now conducted, (y) said Acquisition Agreement, the Conditional Sale Agreement, including the guaranty obligations of the Guarantor therein provided for, and the Lease have each been duly authorized, executed and delivered on behalf of the Guarantor and are valid and binding instruments enforceable against the Guarantor, in accordance with their respective terms;

(e) Opinion of counsel for the Manufacturer, addressed to the Vendee, the Assignee, and Messrs, Chapman and Cutler, dated as of such Closing Date, to the effect that (i) such Items, at the time of delivery thereof to the Vendee under the Acquisition Agreement and the Conditional Sale Agreement, were free of all claims, liens and encumbrances except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Guarantor under the Lease and stating that (ii) the Manufacturer is a duly organized and existing corporation in good standing under the laws of the jurisdiction of its incorporation and has the power and authority to own its properties and to carry on its business as now conducted, and (iii) the Acquisition Agreement has been duly authorized, executed and delivered by the Manufacturer and assuming the execution and delivery thereof by each other party thereto, is a valid instrument binding upon the Manufacturer and enforceable against the Manufacturer in accordance with its terms, (iv) that the Conditional Sale Agreement and the Conditional Sale Assignment Agreement according to the laws of Ontario have been duly authorized, executed and delivered by the Manufacturer and (v) that although the matter is not entirely free from doubt the choice of application of Illinois law as contained in the Conditional Sale Agreement and the Conditional Sale Assignment Agreement would be effective under the laws of the Province of Ontario with respect to the obligations of Hawker Siddeley Canada Ltd. thereunder;

(f) Unless payment of the amount payable pursuant to subparagraph (a) of Section 3.2 of the Conditional Sale Agreement shall be made by the Assignee with funds furnished to it for that purpose by the Vendee, the receipt from the Manufacturer for such payment.

In giving the opinions specified in the preceding subparagraphs (d) and (e) counsel may qualify any opinion to the effect that any agreement is a valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in the preceding subparagraph (d), counsel may in fact rely as to the title to the Items of Equipment upon the opinion of counsel for the Manufacturer of such Items.

The obligation of the Assignee hereunder to make payment for the Equipment is hereby expressly conditioned upon the prior receipt by the Assignee, pursuant to the Finance Agreement, of all the funds to be furnished to the Assignee by the various parties to the Finance Agreement with respect thereto.

The Assignee shall not be obligated to make any of the above mentioned payments at any time while an event of default, or any event which with the lapse of time and/or demand provided for in the Conditional Sale Agreement would constitute an event of default, shall be subsisting under the Conditional Sale Agreement. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Manufacturer, without recourse to the Assignee, any right, security title and interest of the Assignee in and to the Items of Equipment with respect to which payment has not been made by the Assignee.

It is understood and agreed that the Assignee shall not be required to make any payment with respect to any Items of Equipment excluded from Section 2.3 of the Acquisition Agreement.

SECTION 7. *Further Assignments.* Subject to the terms and provisions of the Finance Agreement, the Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 8. *Representation of Manufacturer; Further Assurances.* The Manufacturer hereby

(a) represents and warrants to the Assignee, its successors and assigns and the Investors, that the Conditional Sale Agreement according to the laws of Ontario was duly authorized and lawfully executed and delivered by it,  
and

(b) covenants and agrees that it will at the expense of the Assignee, from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, security titles and interests hereby assigned and transferred to the Assignee or intended so to be. The rights of the Manufacturer hereunder are several and not joint.

SECTION 9. *Governing Law.* The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all the rights conferred by Section 20c of the Interstate Commerce Act the applicable recording laws of Canada and of the Provinces or Territories thereof and such additional rights arising out of the filing, recording or depositing of the Conditional Sale Agreement and this Assignment as shall be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement or this Assignment shall be filed, recorded or deposited.

SECTION 10. *Execution in Counterparts.* This Assignment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart. The Assignee agrees to deliver one of such counterparts, or a certified copy thereof, to the Vendee and the Guarantor. Although this Assignment is dated for convenience as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

SECTION 11. *Non Receipt of Purchase Price.* It is agreed and understood by the parties hereto that if on any Closing Date Hawker Siddeley Canada Ltd. does not receive payment in full of the Purchase Price from the Vendee and Assignee under this Agreement, the Acquisition Agreement or the Conditional Sale Agreement for any Item of Equipment for which settlement is being made to the Manufacturer on such Closing Date, then such Item or Items of Equipment shall be excluded from this Agreement, the Acquisition Agreement and the Conditional Sale Agreement and shall be covered by and purchased by the Guarantor under the Purchase Order (as defined in the Acquisition Agreement) a copy of which Purchase Order is attached hereto as Schedule A.

IN WITNESS WHEREOF, the Manufacturer and the Assignee have caused these presents to be executed in their respective corporate names by officers or representatives duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the day, month and year first above written.

HAWKER SIDDELEY CANADA LTD.

(CORPORATE SEAL)

By \_\_\_\_\_  
Its Vice-President and Comptroller  
By [Signature]  
Its Vice-President & Secretary

THE FIRST PENNSYLVANIA BANKING AND TRUST COMPANY, as Assignee

(CORPORATE SEAL)

By [Signature]  
Its Senior Vice President  
W. M. KRAYER

Attest:

[Signature]  
Secretary

W. S. [Signature]  
ASSISTANT SECRETARY

EXCHANGE NATIONAL BANK OF CHICAGO,  
as Trustee under a Trust Agreement dated  
as of November 1, 1973

(CORPORATE SEAL)

By [Signature]  
Its Senior Vice President

Attest:

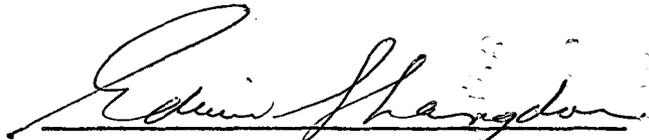
[Signature]  
Secretary

BRITISH COLUMBIA RAILWAY COMPANY

By [Signature]  
Its Comptroller

PROVINCE OF ONTARIO )  
 ) SS  
JUDICIAL DISTRICT OF YORK )

On this 11th day of December, 1973, before me personally appeared John Howard Ready, to me personally known, who, being by me duly sworn, says that he is a Vice President and the Secretary of HAWKER SIDDELEY CANADA LTD., 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.

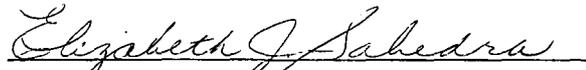
  
Notary Public

My Commission is for

N/S

STATE OF PENNSYLVANIA )  
COUNTY OF Philadelphia ) SS

On this 9<sup>th</sup> day of December, 1973, before me, personally appeared H. M. Krayer, to me personally known, who, being by me duly sworn, says that he is a Vice President of The First Pennsylvania Banking and Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said national association, 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.

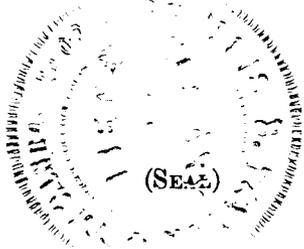
  
Notary Public

(SEAL)

My Commission Expires:  
Notary Public, Philadelphia, Philadelphia Co.  
My Commission Expires March 1, 1976

STATE OF ILLINOIS }  
COUNTY OF COOK } SS

On this 10th day of December, 1973, before me personally appeared **HAROLD Z. NOVAK**, to me personally known, who being by me duly sworn, says that he is a **Senior Vice President** of **EXCHANGE NATIONAL BANK OF CHICAGO**, 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.



Phyllis B. Payton  
Notary Public

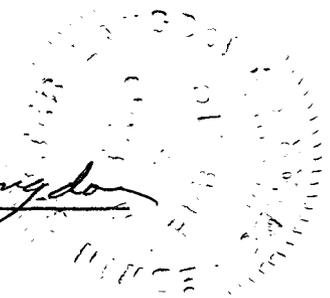
My Commission Expires:

Jan 21, 1976

PROVINCE OF ONTARIO )  
JUDICIAL DISTRICT OF YORK ) SS

On this 11th day of December, 1973, before me personally appeared Robert Dean Miller, to me personally known, who, being by me duly sworn, says that he is **Comptroller** of **BRITISH COLUMBIA RAILWAY COMPANY**, that said 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.

Edwin Shengdon



SCHEDULE A

BRITISH COLUMBIA RAILWAY COMPANY

1095 WEST FENDER STREET, VANCOUVER 1, B.C.

PHONE 681-3131

NO. 16397

Page 1 of 4

HEREIN CALLED THE "BUYER" ORDERS THE ITEMS DESCRIBED HEREFORCH TO BE SUPPLIED BY:

Hawker Siddeley Canada Ltd.  
P.O. Box 160  
Montreal, Quebec

DATE May 7, 1973

TERMS  
Net 30

F.O.B. CN Tracks  
Trenton, Nova Scotia

FEDERAL SALES TAX  
Exempt

HEREIN CALLED THE "SELLER"

SHIP TO Prince George, B.C.  
Attention: G.N. Bennett  
Chief Mechanical Officer

ROUTING CNR to Prince George  
British Columbia Railway See Below  
Beyond

ITEM NO.	QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT	ACCOUNT OR JOB NO.
1.	1000	Only 70 TON 52' 8" BULKHEAD FLAT CARS (INTERNATIONAL SERVICE) TO SPECIFICATION F-71-3 (rev. April 19, 1973) AND IN ACCORDANCE WITH YOUR QUOTATION DATED MAY 1, 1973, EXCEPT WITH COMPONENTS PARTS ALTERNATIVES AS NOTED HEREUNDER:-			
		BID PRICE:	\$14,800.00		
		ADD TO BASE PRICE:			
		Journal Bearings 6" x 11" AP Type E to be "Brenco"	46.03		
			\$14,846.03		
		DEDUCT FROM BASE PRICE:			
		Draft Gears to be "Miner" RF-444	4.04		
		Brake Rod Jaw & Eyes to be "Arcweld"	1.90		
		Brake Shoes to be "Abex"	.56		
		Slack Adjusters to be "Sloan"			
		Wheels - A.A.R. CJ-33 Class "U" -50% to be Canadian Steel Wheel One Wear - Wrought Steel Base			
				\$14,839.53/ea	

14,839,530.<sup>00</sup>

D.W. Gill - cid

FOR BRITISH COLUMBIA RAILWAY COMPANY

ALL GOODS TO BE SHIPPED VIA  
BRITISH COLUMBIA RAILWAY COMPANY  
OR AT ITS DIRECTION.

*[Signature]*  
D.W. GILL, PURCHASING AGENT

PURCHASE ORDER NO. 16397

FREIGHT OR AIR WAYBILLS MUST SHOW PURCHASE ORDER NUMBER

8200305

**BRITISH COLUMBIA RAILWAY COMPANY**  
 1395 WEST PENDER STREET, VANCOUVER 1, B.C.  
 PHONE 681-3131

PURCHASE ORDER NO. 16397  
 Page 2 of 4

HEREIN CALLED THE "BUYER" ORDERS THE ITEMS DESCRIBED HEREUNDER TO BE SUPPLIED BY:

Hawker Siddeley Canada Ltd.  
 P.O. Box 160  
 Montreal, Quebec

DATE May 7, 1973

TERMS  
 Net 30

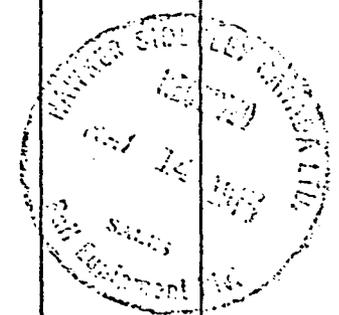
HEREIN CALLED THE "SELLER"

SHIP TO Prince George, B.C.  
 Attention: G.H. Bennett  
 Chief Mechanical Officer

F.O.B. CNR Tracks  
 Trenton, Nova Scotia  
 FEDERAL SALES TAX  
 Exempt

ROUTING CNR to Prince George  
 British Columbia Railway See Below  
 Beyond

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT	ACCOUNT OR JOB NO.
	- 50% to be Griffin One Wear - Cast Steel Equipco Hand Brake  <u>CAR IDENTIFICATION:</u> \$14,839.53  to be in accordance with Specifi- cation F-71-3  Car to be marked B.C.I.T. (for International Service) and numbered consecutively B.C.I.T. 16150 - B.C.I.T. 17149  <u>DELIVERY:</u> Commencing September 1973 at a rate of 10 cars per day - Complete by March 31, 1974  See Pages 3 & 4 - re delivery clause  <u>NOTE:</u>  No changes to be made with respect to materials to be supplied as per Components List, altered as noted below; except on the written author- ity of the Chief Mechanical Officer.  Cars subject to inspection and acceptance by the Chief Mechanical Officer or his authorized represen- tative.  All in accordance with your quotation E.Q. 5553, dated May 1, 1973, Tender P-72			



D.W. Gill - cid

FOR BRITISH COLUMBIA RAILWAY COMPANY

ALL GOODS TO BE SHIPPED VIA  
 BRITISH COLUMBIA RAILWAY COMPANY  
 OR AT ITS DIRECTION.

*D.W. Gill*  
 D.W. GILL, PURCHASING AGENT

2200355

# BRITISH COLUMBIA RAILWAY COMPANY

1075 WEST PENDER STREET, VANCOUVER 1, B.C.

PHONE 681-3131

PURCHASE ORDER

NO. 1 6 3 9 7

Page 3 of 4

HEREIN CALLED THE "BUYER" ORDERS THE ITEMS DESCRIBED HEREUNDER TO BE SUPPLIED BY:

Hawker Siddeley Canada Ltd.  
P.O. Box 160  
Montreal, Quebec

DATE May 7, 1973

TERMS  
Net 30

F.O.B. CNR Tracks  
Trenton, Nova Scotia. FEDERAL SALES TAX  
Exempt

SHIP TO PRINCE GEORGE, B.C. Attention: G.N. Bennett  
Chief Mechanical Officer  
ROUTING CNR to Prince George  
British Columbia Railway Beyond See Below  
DELIVERY See Below

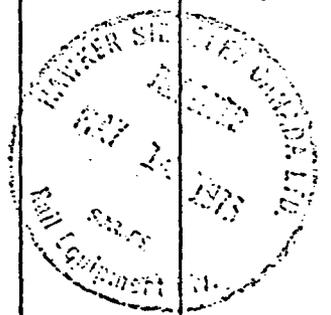
ITEM NO.	QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT	ACCOUNT OR JOB NO.
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DELIVERY CLAUSE

In the event that Hawker Siddeley Canada Ltd. fails to complete delivery of the cars by the delivery date specified herein, March 31, 1974, it is agreed that British Columbia Railway will suffer damages the actual amount of which will be difficult to ascertain and determine, and Hawker Siddeley Canada Ltd. agrees to pay to British Columbia Railway the sum of \$7.33 per day per individual car for each calendar day's delay in delivery of the said individual car beyond the date specified herein, March 31, 1974, for delivery of all cars subject to a total maximum amount of damages of \$50,000.00.

It is further agreed that such payment is by way of liquidated damages and not penalties and that payment by Hawker Siddeley Canada Ltd. of such agreed sum of liquidated damages shall be in full, final, and complete satisfaction of all claims in respect of such delay which British Columbia Railway may have against Hawker Siddeley Canada Ltd.

If delivery is delayed by reason of any cause beyond the control of Hawker Siddeley Canada Ltd. including,



BUYER D.W. Gill - cid	FOR BRITISH COLUMBIA RAILWAY COMPANY
--------------------------	---

ALL GOODS TO BE SHIPPED VIA  
BRITISH COLUMBIA RAILWAY COMPANY  
OR AT ITS DIRECTION.

D.W. GILL, PURCHASING AGENT

LICENSE

BE SUBJECT TO THE TERMS AND CONDITIONS REFERRED TO ON THE FRONT AND BACK HEREOF

PURCHASE ORDER

8200265

# BRITISH COLUMBIA RAILWAY COMPANY

1095 WEST PENDER STREET, VANCOUVER 1, B.C.

PHONE 681-3131

NO. 1 6 3 9 7

Page 4 of 4

HEREIN CALLED THE "BUYER" ORDERS THE ITEMS DESCRIBED HEREUNDER TO BE SUPPLIED BY:

Hawker Siddeley Canada Ltd.  
P.O. Box 160  
Montreal, Quebec

DATE May 7, 1973

TERMS
Net 30
FEDERAL SALES TAX
Exempt

HEREIN CALLED THE "SELLER"

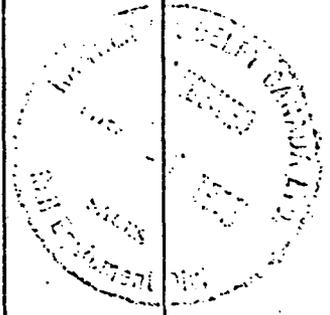
F.O.B. CNR Tracks  
Trenton, Nova Scotia

DELIVERY See Below

SHIP TO Prince George, B.C.  
Attention: G.N. Bennett  
Chief Mechanical Officer

ROUTING CNR to Prince George  
British Columbia Railway  
Beyond

ITEM NO.	QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT	ACCOUNT OR JOB NO.
		<p><u>DELIVERY CLAUSE CONT'D</u></p> <p>without limiting the generality thereof, strikes, slowdowns or other interferences arising from labour disputes whether on the premises of Hawker Siddeley Canada Ltd. or of its subcontractors or suppliers, the date for delivery referred to above shall be deferred by the period of delay so caused. It is further agreed that the delivery dates so specified shall be dependent on the receipt of a contract ( a purchase order) from British Columbia Railway, by May 3&amp;4, 1973. And that in the event such a contract, (a purchase order) from British Columbia Railway, is not received by said date, the delivery dates shall be renegotiated.</p> <p><u>ADDENDUM TO WARRANTY CLAUSE:</u></p> <p>This express warranty is given in lieu of all other conditions, guarantees or warranties express or implied by statute or otherwise and in no event shall Hawker Siddeley Canada Ltd. be liable for any indirect or consequential loss suffered by British Columbia Railway in respect thereof whether arising by performance or by non performance of this Purchase Order.</p>			



BUYER D.W. Gill - cid

FOR BRITISH COLUMBIA RAILWAY COMPANY

ALL GOODS TO BE SHIPPED VIA  
BRITISH COLUMBIA RAILWAY COMPANY  
OR AT ITS DIRECTION.

*D.W. Gill*  
D.W. GILL, PURCHASING AGENT

BOX 160, MONTREAL 101, P.Q.

May 1, 1973

British Columbia Railway  
1095 West Pender Street  
Vancouver 9, B.C.

Attention: Mr. D.W. Gill, Purchasing Agent

Re: 70 Ton Bulkhead Flat Cars - P-72  
Our Reference E.Q. 5553

Dear Sir:

In reply to your inquiry of April 10, 1973 inviting tenders on 70 Ton Bulkhead Flat Cars for International Service, we are pleased to submit our proposal as follows:

MATERIAL:

One Thousand (1,000) only 70 Ton Bulkhead Flat Cars in accordance with British Columbia Railway Specification F-71-3 dated February, 1971 revised April, 1973, Hawker Siddeley Specification L P-2 and Hawker Siddeley General Arrangement Drawing A 153 H 24 enclosed.

PRICE:

Fourteen Thousand Eight Hundred Dollars (\$14,800.00) each.

NOTE:

Duty Drawback not included in the above price amounts to \$263.81 per car which would be for our account if we were favoured with an order to build these cars. Please refer to page 6 of Specialty List attached hereto for an itemized account comprising this total amount. If at some future date any of these cars are used in Domestic Service, then any duty and/or taxes requested by the Canadian Government would be for your account.

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Mr. D. W. Gill

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May 1, 1973

F. O. B. Canadian National Railway Company's Tracks, Trenton,  
Nova Scotia.

TAXES: Extra, if applicable.

TERMS: Net Thirty (30) Days.

FUNDS: Canadian.

DELIVERY: Commencing September, 1973 at a rate of 10 cars per day.  
Complete in first quarter 1974, subject to prior sale of shop  
space.

EXCEPTIONS TO BRITISH COLUMBIA RAILWAY SPECIFICATION:

BODY:

2.02 Coupler Our price includes Type "E" B-E 60 C-HT vs. Type "E"  
B-E 60 B-HT which our supplier advises is now obsolete.

2.05 Defect Card Holder Our price includes "Cheeper" as we were unable to obtain  
quotation from Apex.

TRUCKS:

2.12 Bolster Our price includes A. S. F. , Barber Stabilized. Symington  
S-2 Barber Stabilized is included in our alternatives.

2.13 Brake Beam Our price includes "Creco".

2.19 Side Frame Our price includes A. S. F. , Barber Stabilized. Symington  
S-2, Barber Stabilized is included in our alternatives.

2.22 Wheels Our price includes Wrought Steel, Cast Steel is included  
in our alternatives.

Mr. D.W. Gill

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May 1, 1973

CONDITIONS:

This quotation is based on firm prices for materials, specialties and labor. Any increase or decrease in cost as a result of increase or decrease in freight rates, duty, exchange and Dominion and/or Provincial Taxes and Regulations would be for your account.

GUARANTEE:

The carbuilder warrants each new car manufactured by the carbuilder to be free from defects in material and workmanship under normal use and service, the carbuilder's obligation under this warranty being limited to making good, F. O. B. carbuilder's plant, any part or parts thereof which shall be returned to the carbuilder and which the carbuilder's examination shall disclose to the carbuilder's satisfaction to have been thus defective, provided that such part or parts shall be returned to the carbuilder not later than twelve (12) months after delivery of such car to the original purchaser.

This warranty shall not apply to any car which shall have been repaired or altered outside of the carbuilder's factory in any way so as, in the carbuilder's judgement, to affect its stability or reliability, nor which has been subject to misuse, negligence or accident.

FORCE MAJEURE:

We shall not be liable hereunder in the event of strikes, lockouts, accidents, labor difficulties, fire, delays in transportation or any other causes unavoidable and beyond our control.

We appreciate the opportunity of quoting on this equipment requirement of your company and trust that our proposal meets with your approval.

Yours very truly,

A. F. Philbin  
General Sales Manager  
Railway Equipment - Trenton Works