Grand Trunk Western Railroad Co
131 West Lafayette Boulevard
Detroit, Michigan 48226

December 9, 1976

RECEIVED
DEC 14 2 23 PM '76
I.C.C.
FEE OPERATION BR.
Date DEC 14 1976
Fee $ 50
RECORDATION NO. 8611-A Filed & Recorded
DEC 14 1976 2 00 PM
INTERSTATE COMMERCE COMMISSION

Mr. Robert L. Oswald
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RE: Grand Trunk Western Railroad Company - Chattel Mortgage

Dear Mr. Oswald:

I am enclosing for filing pursuant to Section 20c of the Interstate Commerce Act the following:

1. three executed counterparts of a Chattel Mortgage dated as of January 1, 1976 from Grand Trunk Western Railroad Company to Grand Trunk Leasing Corporation; and

2. check for $50.00.

The name and address of the Mortgagor is Grand Trunk Western Railroad Company, 131 West Lafayette Boulevard, Detroit, Michigan.

The name and address of the Mortgagee is Grand Trunk Leasing Corporation, 477 Congress Street, Portland, Maine, 04112.

This Chattel Mortgage covers various items of railroad rolling stock more particularly described in Exhibit 1-B attached hereto.

Please return one counterpart of the Chattel Mortgage bearing the Interstate Commerce Commission stamp evidencing the filing and recording of the Chattel Mortgage under Section 20c of the Interstate Commerce Act to the attention of David B. Siegel at Kelley Drye & Warren, 350 Park Avenue, New York, New York, 10022.

Very truly yours,

GRAND TRUNK WESTERN RAILROAD COMPANY

By R. L. Ritchie

R. L. Ritchie
Treasurer

LEASE #4

AUTO

GTW	595	516-521	2
	595	522*-531*-566*	3
	595	514*-567-573*-574-645*	5
	595	527	1
	595	691	1
	595	536-599	2
	595	500-532-568-570-579-661*	6
	595	534-559-569-572-605-663-682-697	8
	595	646	1
	595	504-546-551-617-666-670-677-686-693	9
		PULLMAN STANDARD CAR MFG. CO. (1948) * 100M 50 FT; 110M 50 FT	38

BOX

GTW	375	084[3]-094[3]-096[3]	3
	375	144[5]	1
	375	066*-067[2]-070[2]-076[2]-078[2]-079[2]-085[2]	7
	375	098[2]	1
	375	105[3]-106[3]-109[4]-110[4]-111[3]-112[3]-113[4]-114[3]-115-116[3]-118*-119[3]	12
		AMERICAN CAR & FOUNDRY (1964) 185M 60 FT; * 140M 60 FT; 2 130M 60 FT; 4 180M 57 FT; 3 145M 59 FT; 5 160M 60 FT	21
GTW	375	191[4]-193[5]-195[4]	3
	375	172[6]-175[3]	2
	375	168*-169*-170*	3
	375	150[3]-152[3]-155-156[3]	4
	375	218[7]	1
	375	216[7]	1

BOX					
GTW	375	171[2]	* 125M 60 FT * 140M 60 FT	4 145M 60 FT 5 140M 59 FT 6 150M 59 FT 7 150M 60 FT	1
		AMERICAN CAR FOUNDRY (1965)	2 145M 59 FT 3 155M 60 FT		15
GTW	375	266[2]-267[3]-269[2]-271[2]			4
	375	222*-229[4]-230[4]		3 140M 60 FT 4 140M 59 FT	3
		AMERICAN CAR FOUNDRY (1965)	* 150M 60 FT 2 180M 60 FT		7
GTW	375	311*-312*-313*-316*-317*-318*-321*-322*			8
	375	294*-295*-296*-298*-299*-300*-301*-302*-306*-307*-308*-309*-310*			13
	375	290*-291*-293*			3
	375	297*			1
		GREENVILLE STEEL CO. (1966)	* 175M 59 FT.		25
GTW	376	001-004	PULLMAN STANDARD (1967) 175M 60 FT.		2
GTW	378	079	THRALL MFG. (1965) 94M 86 FT.		1
GTW	378	098	THRALL MFG. (1966) 94M 86 FT		1
GTW	383	213[2]-214[2]-216[2]-218[2]-229[2]-230[2]-232[2]-233[2]-236[2]			9
	383	003*			1
	383	000*			1
	383	013-014-015-018-020-025-026-028-030-031-033-035-036-038-042-052-055-056-057-064-065-069-073-075-079-080-081-087-089-090-093-095-097-101-114-125-131-155-168		133M 60 FT	39
		AMERICAN CAR FOUNDRY (1966)	* 130M 60 FT 2 130M 60 FT		50
GTW	383	282*-284*-288*			3
	383	427-428-429			3
	383	339*-340*-341*-342*-344*			5
	383	423*-424*-426*			3
		PULLMAN LTD. (1966)	* 135M 60 FT 140M 60 FT		14
GTW	383	458*-459*-461*-462*-463*-464*-466*-467*-468*-469*-470*-471*-472*-474*-475*-476*			16
	383	477*-478*-479*-480*-481*-482*-483*-484*			8
		PULLMAN STANDARD (1967)	* 135M 60 FT		24

BOX

GTW	385	017	AMERICAN CAR FOUNDRY (1965) 125M 60 FT	1
GTW	385	000-001-003-004	AMERICAN CAR FOUNDRY (1966) 130M 60 FT	4
GTW	595	72A*		1
	595	745*-81A*		2
	595	759*-770*-870*		3
	595	722*-763*-842*		3
	595	709*-740*-895*-903*		4
	595	710*-937*		2
	595	713*		1
	595	79A*-919*		2
		GENERAL AMER. TRANS. CO. (1953)	* 110M 50 FT	18
GTW	595	971		1
	595	997		1
		AMERICAN CAR FOUNDRY (1954)	110M 50 FT	2
GTW	596	193		1
	596	139-174		2
	596	360		1
	596	141*		1
	596	078*		1
	596	053-097-183		3
	596	253-280-296-335-353-383-400-423-442		9
	596	071-073-135-243		4
	596	252-264-266-309-320-341-380-395		8
	596	067-104-111-161		4
	596	344		1
	596	171		1
	596	355-401		2

BOX				
GTW	596	258		1
	596	115-238		2
	596	261-422		2
	596	056-076-083-089-093-116-126-207		8
	596	336		1
	596	109		1
		AMERICAN CAR FOUNDRY (1957)	* 110M 47 FT. 110M 50 FT.	53
GTW	596	604-609-642-661-675-680-687-691-695		9
	596	500-501-504-508-519-520-521-529-536-541-544-548-550-554-557-559-560-565-576-585-590-591-592		23
		AMERICAN CAR FOUNDRY (1961)	110M 50 FT	32
GTW	599	583*		1
	599	598[2]		1
	599	525[3]		1
	599	575*-576*-577*-578*		4
	599	500*-502*-508*-516*		4
	599	566*		1
	599	545*-546*		2
	599	548*-555*-557*-560*-563*	2 150M 48 FT. 3 150M 46 FT.	5
	599	542*-543*-544*		3
		PULLMAN STANDARD (1965)	* 140M 50 FT. ↑	22
GTW	599	700*-702[2]-707[2]-708*-709[2]-722[2]-734*-735[2]-736*-738*-741*-743*-746*-750*		14
	599	782*-783*	2 125M 50 FT.	2
		PULLMAN STANDARD (1962)	* 145M 50 FT. ↑	16
GTW	599	919*		1
	599	899*		1
	599	928[2]		1

BOX				
GTW	599	938	110M 47 FT	1
		PULLMAN STANDARD (1963)	* 140M 50 FT.	1
AUTO				
CNA	595	656*		
	595	613*-668*		2
	595	639*		1
	595	507*-591*		2
	595	580*		1
	595	519*-526*		2
	595	576•		1
		PULLMAN STANDARD CAR MFG CO. (1948)	* 105M • 100M 50 FT.	10
BOX				
CNA	375	142•-143•		2
	375	100*-101*-103*		3
	375	117□		1
	375	092*		1
		AMERICAN CAR + FOUNDRY (1964)	* 130M • 160M □ 140M 60 FT	7
CNA	375	190*		1
	375	173□-174□-176□-177□-178□-179□		6
	375	151•-153•-154•		3
	375	207*		1
	375	189▼		1
		AMERICAN CAR + FOUNDRY (1965)	* 145M • 155M □ 150M ▼ 120M 60 FT.	12
CNA	375	220•		1
	375	244*		1
		AMERICAN CAR FOUNDRY (1965)	* 142M • 150M 60 FT	2
CNA	375	314*-319*-323*-324*		4
	375	303*-304*-305*		3
	375	292*		1
		GREENVILLE STEEL CO. (1966)	* 175M 60 FT.	8

BOX				
CNA	378	019* 043* 049*		3
CNA	378	107*		1
	378	111*		1
		THRALL MFG. (1965)	*80M 87FT.	3
CNA	378	133		1
	378	161- 175- 213		3
		THRALL MFG. (1966)	80M 87FT.	4
CNA	383	210• 211• 215• 220• 224•		5
	383	010* 024* 043* 072* 076* 083*		6
			* 133M 60FT • 130M 60FT	11
CNA	383	338- 343	PULLMAN LTD. (1966) 135M 60FT.	2
CNA	383	473	PULLMAN STANDARD (1967) 135M 60FT.	1
CNA	385	002	AMERICAN CAR FOUNDRY (1960) 130M 60FT	1
CNA	595	752		1
	595	789		1
	595	708		1
			GENERAL AMERICAN TRANS. CO. (1953) 50FT.	3
CNA	596	198		1
	596	146- 156		2
	596	332- 367		2
	596	381		1
	596	127- 216		2
	596	282		1
	596	323		1
	596	062- 094- 245		3
	596	059- 098		2
			AMERICAN CAR FOUNDRY LTD. (1957) 110M 50FT.	15

BOX				
CNA	596	603-625-663		3
	596	512-513-526-527-562-563-575-580-586-593-599		11
		AMERICAN CAR & FOUNDRY (1961) 110m 50FT.		14
CNA	599	526•		1
	599	501*		1
	599	565*		1
		PULLMAN STANDARD (1965)	*140m •150m 50FT.	3
CNA	599	703-704-705-706-710-712-724-727	PULLMAN STANDARD (1962) 125m SFT.	8
CNA	599	836*		1
	599	930•		1
		PULLMAN STANDARD (1963)	*140m •150m 50FT.	2

TOTAL CARS 461

RECORDATION NO. 8611-A Filed & Recorded
DEC 14 1976 -2 00 P.M.
INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE

THIS CHATTEL MORTGAGE dated as of January 1, 1976 from Grand Trunk Western Railroad Company, a Michigan and Indiana corporation, having its principal office at 131 West Lafayette Boulevard, Detroit, Michigan (hereinafter referred to as "GTW"), to Grand Trunk Leasing Corporation, a Delaware corporation (hereinafter referred to as "Leasing").

WHEREAS, Leasing owns certain railroad rolling stock identified by type and road number in Exhibit 1-B annexed hereto (hereinafter referred to as the "Series B Equipment"), and the Series B Equipment is now used by Canadian National Railway Company, a Canadian Crown Corporation, and is subject to leasing arrangements between Leasing and Canadian National Railway Company; and

WHEREAS, pursuant to an agreement dated as of January 1, 1976 (hereinafter referred to as the "Purchase Agreement"), Leasing has agreed to sell and GTW has agreed to purchase, inter alia, the Series B Equipment, subject to the aforesaid leasing arrangements, upon the terms and conditions set forth in the Purchase Agreement; and

WHEREAS, GTW has authorized the issuance, execution and delivery of a promissory note (hereinafter referred to as the "Series B Note") of substantially the tenor set forth in Exhibit 2 annexed hereto evidencing GTW's obligation to pay to Leasing the purchase price of the Series B Equipment in accor-

dance with the terms of the Purchase Agreement;

NOW THEREFORE, THIS INSTRUMENT WITNESSETH that, to secure the payment of the purchase price of the Series B Equipment as aforesaid and of the Series B Note, and in consideration of the sum of $10.00 to GTW in hand paid by Leasing at or before the execution and delivery of these presents, receipt of which is hereby acknowledged, GTW does hereby grant, bargain, sell, transfer, assign and mortgage unto Leasing, its successors and assigns, the Series B Equipment.

TO HAVE AND TO HOLD all and singular the said Series B Equipment bargained and sold, unto Leasing, its successors and assigns, forever, upon condition that if GTW shall pay or cause to pay to Leasing the sum of five million, seven hundred ninety-seven thousand, six and 95/100 dollars ($5,797,006.95) pursuant to the terms of the Series B Note, then these presents shall be void.

BUT IN CASE OF ANY DEFAULT in the payment of any of the indebtedness above mentioned, or in the performance by GTW of any of the covenants contained herein, Leasing shall have full power, and it shall be lawful for, and GTW does hereby irrevocably authorize and empower Leasing to enter upon the premises of GTW, or any other place where the said Series B Equipment may be, and take possession thereof, and remove the same, and to sell the same at public or private sale, and the avails, after deducting all expenses of the sale and the keeping of the said Series

B Equipment and the expenses and the costs of legal proceedings, if any, to apply in payment of the whole of the indebtedness above mentioned, whether or not the same shall at such time be matured, and Leasing may purchase all or any part of the Series B Equipment at any such sale in the same manner and to the same effect as a person not interested therein. If for any cause the said Series B Equipment shall on such sale fail to satisfy the whole of said expenses, costs and indebtedness, GTW covenants to pay the deficiency.

AND IT IS EXPRESSLY AGREED, that if default be made in any payment of interest or principal due in accordance with the terms of the Series B Note, or in the performance of any of the terms of this mortgage, then and in that event, the entire amount then unpaid shall immediately become due and payable.

AND IT IS EXPRESSLY AGREED, that the failure on the part of Leasing to demand the entire payment after default in one or more payments by GTW shall not be deemed a waiver by Leasing of its right to make immediate demand for the entire amount remaining unpaid, or to take immediate repossession of the Series B Equipment or its right to immediately foreclose said mortgage, and any payments made subsequent to said default, and the acceptance of said payments, shall not be deemed a waiver of any of such rights.

GTW covenants with Leasing as follows:

1. That GTW will pay the indebtedness above mentioned.

2. That GTW will not lease, sell or convey the Series B Equipment except with the written consent of Leasing.

3. That GTW will not make a second mortgage or otherwise create a lien of any nature upon the Series B Equipment without the written consent of Leasing.

4. That GTW hereby assumes the risk of loss, injury or destruction of the Series B Equipment from any cause whatsoever and such loss, injury or destruction shall not operate in any manner to release GTW from the obligation to make payments in accordance with the terms of the Series B Note.

THIS MORTGAGE, and each of the conditions, provisions and covenants herein contained shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto and may not be modified, in whole or in part, without their prior written consent.

IN WITNESS WHEREOF, GTW has caused this instrument to be duly executed under its corporate seal this 8th day of December , 1976.

GRAND TRUNK WESTERN RAILROAD COMPANY

By John H. Burdakin

Attest: E. G. Fontaine
Secretary

STATE OF MICHIGAN)
: SS.:
COUNTY OF WAYNE)

On this 8th day of December, 1976 before me personally appeared John H. Burdakin, to me personally known who being by me duly sworn, says that he is the President of Grand Trunk Western Railroad Company, that the seal 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.

J. Isabelle Matusko

My Commission Expires _____

J. ISABELLE MATUSKO
Notary Public, Oakland County, Mich.
Acting in Wayne County, Mich.
My Commission Expires 4-25-79

EXHIBIT 1-B

LEASE #A

SHEET 1 OF 7 SHEETS

AUTO

GTW	595	516-521	2
	595	522*-531*-566*	3
	595	514*-567-573*-574-645*	5
	595	527	1
	595	691	1
	595	536-599	2
	595	500-532-568-570-579-661*	6
	595	534-559-569-572-605-663-682-697	8
	595	646	1
	595	504-546-551-617-666-670-677-686-693	9
		PULLMAN STANDARD CAR MFG. CO. (1948) * 100M 50 FT, 110M 50 FT	38

BOX

GTW	375	084-094-096 (3, 3, 3)	3
	375	144 (5)	1
	375	066*-067-070-076-078-079-085 (2, 2, 2, 2, 2, 2)	7
	375	098 (2)	1
	375	105-106-109-110-111-112-113-114-115-116- (3, 3, 4, 4, 5, 5, 4, 3, 3) 118*-119 (4, 5)	12
		AMERICAN CAR & FOUNDRY (1964) * 140M 60 FT, 2 130M 60 FT, 185M 60 FT, 3 145M 59 FT, 4 180M 57 FT, 5 160M 60 FT	21
GTW	375	191-193-195 (4, 5, 4)	3
	375	172-175 (6, 3)	2
	375	168*-169*-170*	3
	375	150-152-155-156 (3, 5, 3)	4
	375	218 (7)	1
	375	216 (7)	1

BOX

GTW	375	171[2]	185M 60 FT. * 140M 60 FT	4 145M 60 FT 5 140M 59 FT 6 150M 59 FT 7 150M 60 FT	1
		AMERICAN CAR FOUNDRY (1965)	2 145M 59 FT 3 155M 60 FT		15
GTW	375	266[2]-267[3]-269[2]-271[2]			4
	375	222*-229[4]-230[4]		3 140M 60 FT 4 140M 59 FT	3
		AMERICAN CAR FOUNDRY (1965)	* 150 M 60 FT 2 190M 60 FT		7
GTW	375	311*-312*-313*-316*-317*-318*-321*-322*			8
	375	294*-295*-296*-298*-299*-300*-301*-302*-306*-307*-308*-309*-310*			13
	375	290*-291*-293*			3
	375	297*			1
		GREENVILLE STEEL CO. (1966)	* 175M 59 FT.		25
GTW	376	001-004 PULLMAN STANDARD (1967)	175M 60 FT.		2
GTW	378	079 THRALL MFG. (1965)	94M 86 FT.		1
GTW	378	098 THRALL MFG. (1966)	94M 86 FT		1
GTW	383	213[2]-214[2]-216[2]-218[2]-229[2]-230[2]-232[2]-233[2]-236[2]			9
	383	003*			1
	383	000*			1
	383	013-014-015-018-020-025-026-028-030-031-033-035-036-038-042-052-053-056-057-064-065-069-073-075-079-080-081-087-089-090-093-095-097-101-114-125-131-155-168		133M 60 FT	39
		AMERICAN CAR FOUNDRY (1966)	* 136M 60 FT 2 130M 60 FT		50
GTW	383	282*-284*-288*			3
	383	427-428-429			3
	383	339*-340*-341*-342*-344*			5
	383	423*-424*-426*			3
		PULLMAN LTD. (1966)	* 135M 60 FT 140M 60 FT		14
GTW	383	458*-459*-461*-462*-463*-464*-466*-467*-468*-469*-470*-471*-472*-474*-475*-476*			16
	383	477*-478*-479*-480*-481*-482*-483*-484*			8
		PULLMAN STANDARD (1967)	* 135M 60 FT		24

BOX					
GTW	385	017	AMERICAN CAR FOUNDRY (1965)	125M 60 FT	1
GTW	385	000-001-003-004	AMERICAN CAR FOUNDRY (1966)	130M 60 FT	4
GTW	595	724*			1
	595	745*-814*			2
	595	759*-770*-870*			3
	595	722*-763*-842*			3
	595	709*-740*-895*-903*			4
	595	710*-937*			2
	595	713*			1
	595	794*-919*			2
		GENERAL AMER. TRANS. CO. (1953)		* 110M 50 FT	18
GTW	595	971			1
	595	997			1
		AMERICAN CAR FOUNDRY (1954)		110M 50 FT	2
GTW	596	193			1
	596	139-174			2
	596	360			1
	596	141*			1
	596	078*			1
	596	053-097-183			3
	596	253-280-296-335-353-383-400-423-442			9
	596	071-073-135-243			4
	596	252-264-266-309-320-341-380-395			8
	596	067-104-111-161			4
	596	344			1
	596	171			1
	596	355-401			2

BOX				
GTW	596	258		1
	596	115-238		2
	596	261-422		2
	596	056-076-083-089-093-116-126-207		8
	596	336		1
	596	109		1
		AMERICAN CAR FOUNDRY (1957)	* 110M 47 FT. 110M 50 FT.	53
GTW	596	604-609-642-661-675-680-687-691-695		9
	596	500-501-504-508-519-520-521-529-536-541-544-548-550-554-557-559-560-565-576-585-590-591-592		23
		AMERICAN CAR FOUNDRY (1961)	110M 50 FT	32
GTW	599	583*		1
	599	598[2]		1
	599	525[3]		1
	599	575*-576*-577*-578*		4
	599	500*-502*-508*-516*		4
	599	566*		1
	599	545*-546*		2
	599	548*-555*-557*-560*-563*	2 150M 48 FT. 3 130M 46 FT.	5
	599	542*-543*-544*		3
		PULLMAN STANDARD (1965)	* 140M 50 FT. ↑	22
GTW	599	700*-702[2]-707[2]-708*-709[2]-722[2]-734*-735[2]-736*-738*-741*-743*-746*-750*		14
	599	782*-783*	2 125M 50 FT	2
		PULLMAN STANDARD (1962)	* 145M 50 FT. ↑	16
GTW	599	919*		1
	599	899*		1
	599	928[2]		1

BOX				
GTW	599	938	110M 47 FT	1
		PULLMAN STANDARD (1963)	* 140 M 50 FT.	1
AUTO				
CNA	595	656*		1
	595	613*-668*		2
	595	639*		1
	595	507*-591*		2
	595	580*		1
	595	519*-526*		2
	595	576•		1
		PULLMAN STANDARD CAR MFG CO. (1948)	* 105 M • 100 M 50 FT.	10
BOX				
CNA	375	142•-143•		2
	375	100*-101*-103*		3
	375	117□		1
	375	092*		1
		AMERICAN CAR + FOUNDRY (1964)	* 130 m • 160 m □ 140 M 60 FT	7
CNA	375	190*		1
	375	173□-174□-176□-177□-178□-179□		6
	375	151•-153•-154•		3
	375	207*		1
	375	189v		1
		AMERICAN CAR + FOUNDRY (1965)	* 145 M • 155 M □ 150 M v 120 M 60 FT.	12
CNA	375	220•		1
	375	244*		1
		AMERICAN CAR FOUNDRY (1965)	* 170 m • 150 M 60 FT	2
CNA	375	314*-319*-325*-324*		4
	375	303*-304*-305*		3
	375	292*		1
		GREENVILLE STEEL CO. (1966)	* 175 M 60 FT.	8

BOX				
CNA	378	019* 043* - 049*		3
CNA	378	107*		1
	378	111*		1
		THRALL MFG. (1965)	* 80m 87FT.	3
CNA	378	133		1
	378	161 - 175 - 213		3
		THRALL MFG. (1966)	80m 87 FT.	4
CNA	383	210• 211 - 215• 220• 224•		5
	383	010* 024* - 043* - 072* - 076* - 088*		6
			* 133m 60 FT • 150m 60 FT	11
CNA	383	338 - 343	PULLMAN LTD. (1966) 135 M 60 FT.	2
CNA	383	473	PULLMAN STANDARD (1967) 135m 60 FT.	1
CNA	385	002	AMERICAN CAR FOUNDRY (1966) 130m 60 FT	1
CNA	595	752		1
	595	789		1
	595	708		1
			GENERAL AMERICAN TRANSP. CO. (1953) 50 FT.	3
CNA	596	198		1
	596	146 - 156		2
	596	332 - 367		2
	596	381		1
	596	127 - 216		2
	596	282		1
	596	323		1
	596	062 - 094 - 245		3
	596	059 - 098		2
			AMERICAN CAR FOUNDRY IND. (1957) 110M 50 FT.	15

BOX			
CNA	596	603-625-663	3
	596	512-513-526-527-562-563-575-580-586-593-599	11
		AMERICAN CAR & FOUNDRY (F61) 110M 50FT.	14
CNA	599	526*	1
	599	501*	1
	599	565*	1
		PULLMAN STANDARD (1965) * 140M • 150M 50FT.	3
CNA	599	703-70A-705-706-710-712-72A-727 PULLMAN STANDARD (1962) 125M SPR.	8
CNA	599	836*	1
	599	930•	1
		PULLMAN STANDARD (1963) * 140M • 150M 50FT.	2

TOTAL CARS 461

EXHIBIT 2

GRAND TRUNK WESTERN RAILROAD COMPANY

6% Series B Secured Note
Due January 1, 1986

January 1, 1976

FOR VALUE RECEIVED, GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan and Indiana corporation (the "Maker") hereby promises to pay to the order of Grand Trunk Leasing Corporation (the "Payee"), or assigns, on January 1, 1986, the principal amount of $5,797,006.95, with interest (computed on the basis of a 360-day year, 30-day month) on the unpaid balance of such principal amount from the date hereof, payable semi-annually on July 1, 1976 and on each January 1 and July 1 thereafter, at the rate of 6% per annum until such principal amount shall have become due and payable (whether at maturity or by acceleration or otherwise).

Payments of both principal and interest are to be made in lawful money of the United States of America at the office of the Maker, 131 West Lafayette Boulevard, Detroit, Michigan.

The Maker shall be entitled, at its option, to prepay at any time, in whole or in part, the principal of this note then outstanding provided that interest accrued to the date of such prepayment on the principal then prepaid shall be paid at the same time.

This note is secured by a chattel mortgage dated as of January 1, 1976 from the Maker to the Payee and the holder is entitled to the benefits of the security described therein. The entire principal of this note may become due and payable prior to the maturity date stated herein under certain conditions stated in said chattel mortgage, to which reference is hereby made for all of its contents.

The Maker, and all endorsers and guarantors, if any, hereby waive presentment for payment, demand, protest, and notice of dishonor, protest and non-payment.

This note is to be construed in accordance with and governed by the laws of the state of Michigan.

IN WITNESS WHEREOF, the Maker has caused its name to be signed and its corporate seal to be affixed hereunto by its duly authorized officers as of the date appearing first above.

GRAND TRUNK WESTERN RAILROAD COMPANY

By_____

Attest:

_____
Secretary