

# LAFLEUR, BROWN, DE GRANDPRÉ

BARRISTERS AND SOLICITORS

SUITE 3725, 1 PLACE VILLE MARIE

MONTREAL, QUEBEC, CANADA H3B 3P4

TELEPHONE (514) 878-9641

CABLE ADDRESS "MANKIN" TELEX 05-25610

TELECOPIERS (514) 878-1450 / (514) 395-8749

BRUSSELS

AV. LOUISE 386

1050 BRUSSELS, BELGIUM

TEL. (322) 647 66 75

647 71 58

TELEX 29482 EURCAN B

TELECOPIER 648 75 19

TORONTO

P.O. BOX 92, SUITE 3460, SOUTH TOWER

ROYAL BANK PLAZA

TORONTO, ONTARIO, CANADA M5J 2J2

TEL. (416) 869-0994

TELECOPIER (416) 362-5818

OUR FILE: 2903-016

REPLY ATTENTION OF Susan Singer

*Jan 8* 1988-1 45 PM  
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 14861A  
2/8 1988-1 45 PM  
INTERSTATE COMMERCE COMMISSION

Montreal, May 27, 1988

6/18/88  
26  
100 Washington St. N.

Interstate Commerce Commission  
Suite 2303  
12th Street and Constitution Ave. N.W.,  
Washington, D.C.

ATT: Mildred Lee

Re: Documents for Recordation

Dear Ms. Lee,

I have enclosed an original and one copy of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

There have been two transactions in respect of the same railway equipment; please register the documents in the order in which they are found in this letter.

The first document is a conveyance of the equipment in question dated September 10, 1987. The primary document to which this is connected is recorded under Recordation number 14861.

The names of the parties are as follows:

- Citibank Leasing Canada Limited (Vendor);
- Norex Leasing Inc. (Purchaser)

10861-B

6/8 1988-1 10 PM

INTERSTATE COMMERCE COMMISSION

CANADA  
PROVINCE OF QUEBEC  
CITY OF MONTREAL  
CONSULATE GENERAL OF THE  
UNITED STATES OF AMERICA } ss:

I, Frances T. Lide Consul of the  
United States of America at Montreal, Province of Quebec, Canada,  
duly commissioned and qualified, do hereby certify that, to the  
best of my knowledge, Danielle Lord

was, at time of signing the annexed certificate, a  
Secretary of the Chamber of Notaries of Quebec  
at Montreal Province of Quebec, Canada, duly  
commissioned and qualified, to whose official acts faith and  
credit are due.

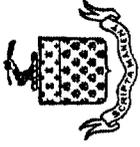
Per the contents of the annexed document the Consulate  
General assumes no responsibility.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed  
the seal of the Consulate General of the United States of America  
at Montreal, Quebec, Canada, this 31 day of May 1988.



*Frances T. Lide*

FRANCES T. LIDE  
CONSUL OF THE UNITED STATES OF AMERICA



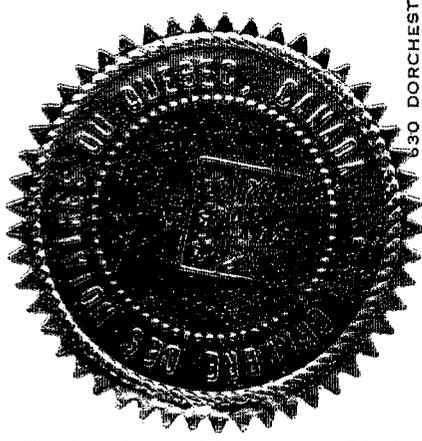
# CHAMBER OF NOTARIES OF QUEBEC

PROVINCE OF QUEBEC  
CANADA

I, DANIELLE LORD, Secretary of the Chamber of Notaries of Quebec, Canada, said Chamber having its Seat, in the City of Montreal, organized under the laws of said Province of Quebec, and being the sole and only Chamber of Record for all Notaries in said Province, said Chamber having a seal, the whole as enacted by the law 17-18 Elizabeth II, 1968, ch. 70, and amended on July 6th, 1973 to concord with the Professional Code which came in force February 1st, 1974.

DO HEREBY CERTIFY that M<sup>TR</sup>E PAUL ANTHONY LABERGE, NOTARY residing at Montreal in the Judicial District of Montreal of said Province, who signed the certificate of proof of acknowledgment on the herunto attached instrument, was at the time of taking such proof of acknowledgment a practising Notary and Public Officer, having been duly commissioned and sworn as such and his name is entered on the Roll of the Order of Notaries of said Province of Quebec, that his jurisdiction extends over the whole of said Province of Quebec and his term of office is for life; that therefore he is at the date hereon a person authorized to take and certify affidavits and solemn declarations and to take proof and acknowledgment of all deeds and other instruments, and to certify as such Notary both originals and copies thereof or either of them to be recorded in said Province, the whole in accordance with and as required by the said Notarial Act and the laws of said Province of Quebec.

AND moreover I have compared the signature: " Paul Anthony Laberge, notary " affixed to said instrument, with that deposited in the "Register of official signatures of Notaries" (said Register being kept only by me and remaining of record only in my office), and, as required by said Notarial Act and laws, such signature is the Official signature of said person and the impression of his official seal on said certificate is also genuine.



I am the only authority under the laws of said Province to issue the present certificate.

WITNESS my hand and the official seal of said Chamber of Notaries at Montreal, this Thirtieth day of May one thousand nine hundred and eighty -eightth.

*Danielle Lord*

DANIELLE LORD  
Secretary

CANADA )  
 )  
PROVINCE OF QUEBEC )  
 )  
TO WIT: )

TO ALL WHOM THESE PRESENTS MAY  
COME, BE SEEN OR KNOWN

I, PAUL LABERGE, a Notary in and for the Province of Quebec, residing at the City of Montreal in the Province of Quebec, Canada, do hereby certify and attest that the paper writing hereto annexed is a true photocopy of a document produced and shown to me and purporting to be an Agreement of Assignment and Sale made as of the 23rd day of March, 1988 between NOREX LEASING INC. and THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA, the said photocopy having been compared by me with the said original document, and which I have found to be complete and identical in all respects to the original document.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my Notarial Seal of Office at Montreal this 27th day of May, 1988.

Paul Anthony Laberge Notary

A Notary in and for the  
Province of Quebec

THIS AGREEMENT OF ASSIGNMENT AND SALE made as of this 23rd day of March, 1988 in the City of Toronto, Province of Ontario.

BETWEEN:

NOREX LEASING INC., a corporation constituted under the laws of Canada having its principal place of business at 5050 South Service Road, Burlington, Ontario

(hereinafter referred to as "Norex")

PARTY OF THE FIRST PART

AND:

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA, a corporation duly constituted under the laws of Canada having its principal place of business at 227 King Street South, Waterloo, Ontario

(hereinafter referred to as "Mutual")

PARTY OF THE SECOND PART.

WHEREAS Citibank Leasing Canada Limited ("Citibank") and Canadian National Railways Company entered into an agreement of lease dated as of November 22, 1985 in respect to the lease of certain railroad equipment as therein described; and

WHEREAS on June 30, 1987 Norex acquired all right, title and interest of Citibank Leasing Canada Limited in such lease and the equipment subject thereto; and

WHEREAS Mutual desires to acquire the right, title and interest of Norex in the equipment subject to such lease and to the rentals and other rights under such lease in respect thereof all on the terms and conditions herein set forth.

NOW THEREFORE in consideration of the covenants herein contained the parties hereto mutually agree as follows:

1. As used herein:

1.1 "Agreement", "this Agreement", "herein", "hereunder" and similar words shall mean and include this Agreement of Assignment and Sale and the

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NOW THEREFORE in consideration of the covenants herein contained the parties hereto mutually agree as follows:

1. As used herein:

1.1 "Agreement", "this Agreement", "herein", "hereunder" and similar words shall mean and include this Agreement of Assignment and Sale and the

expression "clause" followed by a number shall mean and refer to the specified clause of this Agreement;

- 1.2 "Equipment" means the railroad equipment described in the Lease;
  - 1.3 "Lease" means the agreement of lease dated as of the 22nd day of November, 1985 then between Citibank as Lessor and Canadian National Railways Company as Lessee respecting certain railroad equipment as therein described and all permitted amendments thereto said Lease having been assigned to Norex on June 30, 1987;
  - 1.4 "Lessor" means Norex;
  - 1.5 All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Lease.
2. In consideration of the sum of \$17,905,184.71 which Norex acknowledges to have been paid concurrently with the execution of this Agreement, Norex hereby absolutely but without recourse, except as hereinafter provided, sells, assigns and transfers to Mutual all right, title and interest of Norex in the Lease and the Equipment and in and to all payments due and to become due under the Lease and all of Norex' rights and remedies thereunder and the right either on behalf or in Norex' name to take all such proceedings legal, equitable or otherwise that Norex might take for this assignment.
  3. Norex hereby covenants, represents and warrants to Mutual that:
    - (a) Norex is a corporation duly existing under the laws of Canada and has the corporate power and authority to own its property and assets and to carry on its business as it is now being conducted;
    - (b) Norex has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement, has taken all necessary corporate action to authorize the execution and delivery hereof and when executed and delivered this Agreement will constitute a

legal, valid and binding obligation of Norex enforceable in accordance with its terms;

- (c) neither the execution or delivery of this Agreement, nor the performance of transactions contemplated herein nor compliance with the terms and conditions hereof will conflict with, or result in any breach of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon the rights acquired by Mutual hereunder pursuant to the terms of any agreement or other instrument (including the Lease and the Equipment) to which Norex is a party or is subject or by which it may be bound;
- (d) Norex has good title to the Lease and that it has no knowledge of any Event of Default occurring under the Lease;
- (e) the Lease is genuine and in all respects what it purports to be and valid is a binding obligation of the parties thereto;
- (f) that the rental payments remaining payable under the lease are as set forth in Schedule A hereto;
- (g) the Lease is in full force and effect unamended and there exists no event of default under the Lease and no event which would with the giving of notice or lapse of time or both constitute an event of default under the Lease and Norex has not given any consents, approvals or waivers under or in respect of the Lease, and all statements contained therein are true;
- (h) Norex has no knowledge of any liens or encumbrances in respect to the Equipment created by or through Citibank;
- (i) Norex has good title to the Equipment having acquired the same from Citibank who, in turn, acquired it from the manufacturer, Hawker Siddley Canada Inc. and the Equipment is free and clear of all liens and encumbrances created by or through Norex;
- (j) Norex shall not purport to agree in writing to the

amendment, modification or alteration of any provision of the Lease.

4. Mutual hereby covenants, represents and warrants to Norex that:

(a) Mutual is a corporation duly constituted, validly existing under the laws of Canada and has the corporate power and authority to own its property and assets and to carry on its business as it is now being conducted;

(b) Mutual has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and has taken all necessary corporate action to authorize the execution and delivery hereof and when executed and delivered this Agreement will constitute a legal, valid and binding obligation of Mutual;

(c) neither the execution nor delivery of this Agreement, nor the performance of the transactions contemplated herein nor compliance with the terms and conditions hereof will conflict with any provision of law or of Mutual's charter or by-laws or result in any breach of or constitute a default under or result in the creation or imposition of any liens, upon the interest of Mutual acquired therein.

5. Norex covenants and agrees that it will at its own expense and upon the request of Mutual at any time or times hereafter do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged and delivered all such reasonable further acts, deeds, assignments, transfers, conveyances, consents, powers of attorney, assurances or other documents and take all such other actions as may be required for the assigning, transferring, granting, conveying, assuring and confirming to Mutual, or for aiding or assisting in the reducing to possession by Mutual, any of the interest or assets intended to be hereby sold, transferred, conveyed and assigned, including without limitation, all such actions as may be required to transfer to Mutual the benefit of any insurance proceeds on the Equipment which may be payable to Norex or to permit Mutual to enforce any rights or remedies available to it at law, under the Lease or otherwise.

6. Any notice required to be given hereunder shall be in writing and may be personally delivered, sent by telex or similar electronic means, or may be forwarded by prepaid registered mail.

If any such notice is so mailed, and provided the delivery of mail in Canada has not been disrupted by a strike or labour disturbance, it shall be deemed to have been given by the sender and received by the party hereto to whom it has been addressed seventy-two (72) hours after the due mailing thereof by prepaid registered mail addressed as follows:

If to Norex:

NOREX LEASING INC.  
5050 South Service Road,  
Burlington, Ontario  
L7R 4C8

Telex No:

Attention: Secretary

If to Mutual:

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA  
227 King Street South,  
Waterloo, Ontario  
N2J 4C5

Attention: Manager Private Placements

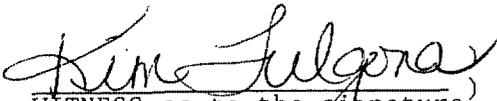
Any party may, from time to time, give notice of any change of its address and in such event the foregoing addresses shall be deemed to have been changed accordingly.

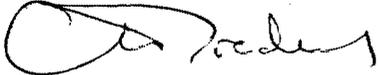
7. This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.
8. Unless otherwise indicated, all amounts specified herein shall be in lawful money of Canada.

9. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

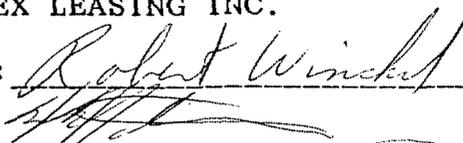
IN WITNESS WHEREOF the parties hereto have executed this agreement as of this 23rd day of March, 1988.



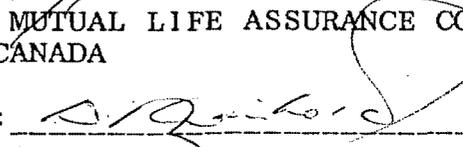
  
WITNESS as to the signature  
of D. R. Winhold )

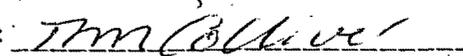


NOREX LEASING INC.

Per: 

THE MUTUAL LIFE ASSURANCE COMPANY  
OF CANADA

Per: 

Per: 

SCHEDULE "A"

<u>PAYMENT NUMBER</u>	<u>DUE DATE</u>	<u>PAYMENT AMOUNT</u>
1	August 1, 1988	1,142,016.32
2	February 1, 1989	1,142,016.32
3	August 1, 1989	1,142,016.32
4	February 1, 1990	1,142,016.32
5	August 1, 1990	1,142,016.32
6	February 1, 1991	1,142,016.32
7	August 1, 1991	1,142,016.32
8	February 1, 1992	1,142,016.32
9	August 1, 1992	1,142,016.32
10	February 1, 1993	1,142,016.32
11	August 1, 1993	1,142,016.32
12	February 1, 1994	1,142,016.32
13	August 1, 1994	1,142,016.32
14	February 1, 1995	1,142,016.32
15	August 1, 1995	1,142,016.32
16	February 1, 1996	1,142,016.32
17	August 1, 1996	1,142,016.32
18	February 1, 1997	1,142,016.32
19	August 1, 1997	1,142,016.32
20	February 1, 1998	1,142,016.32
21	August 1, 1998	1,142,016.32
22	February 1, 1999	1,142,016.32
23	August 1, 1999	1,142,016.32
24	February 1, 2000	1,142,016.32
25	August 1, 2000	1,142,016.32
26	February 1, 2001	1,142,016.32
27*	August 1, 2001	1,142,016.32
28*	February 1, 2002	1,142,016.32
29*	August 1, 2002	1,142,016.32
30*	February 1, 2003	1,142,016.32
31*	August 1, 2003	1,142,016.32

\* In lieu of payments 27 through 31 inclusive, CNR has the option of purchasing the equipment on February 1, 2001 for the additional sum of \$4,747,650.00, making the final payment due on February 1, 2001 \$5,889,666.32.

*Rev.*  
*1/1/01*



AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ONTARIO

I, KIMBERLY FULGONA, of the City of Waterloo,  
in the Province of Ontario, make oath and say:

1. I was personally present and did see the Agreement of Assignment duly sealed and executed by The Mutual Life Assurance Company of Canada, under the hands of Duncan Winhold.
2. Duncan Winhold and Robert M. Colliver are authorized to sign the said Agreement of Assignment on behalf of the said corporation and to affix its corporate seal thereto.
3. I know the said Duncan Winhold and Robert M. Colliver and they are respectively a Vice-President and a Manager of the said corporation, and the signature "D Winhold" to the said Agreement of Assignment is in his proper handwriting.
4. The name "Kim Fulgona" set and subscribed as a witness to the said signature is in the proper handwriting of me, this deponent.
5. The said Agreement of Assignment was executed by Duncan Winhold on behalf of The Mutual Life Assurance Company of Canada at the City of Waterloo, in the Province of Ontario, on the 23rd day of March, 1988.

SWORN TO BEFORE ME )  
this 5th day of April, )  
1988 in the City of )  
Waterloo, Province )  
of Ontario )

Kim Fulgona

Mary Edulencia)  
A Notary Public in and for )  
the Province of Ontario. )