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No. 0-352A090
Date DEC 17 1980
Fee \$ 50.00
ICC Washington, D. C.

Grand Trunk Western Railroad Co
Law Department
131 West Lafayette Boulevard
Detroit, Michigan 48226
(313) 962-2260

December 11, 1980
File: 352

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 12589 Filed 1425
DEC 17 1980 12:10 PM
INTERSTATE COMMERCE COMMISSION

DEC 17 12 01 PM '80
DOCKET FILES
BRANCH

Dear Mrs. Mergenovich:

Enclosed for recordation under Section 11303 of the Interstate Commerce Act are two counterparts of a lease agreement, dated as of December 9, 1980, between Westinghouse Leasing Corporation and Grand Trunk Western Railroad Company.

The addresses of the parties to said agreement are:

Lessor: Westinghouse Leasing Corporation
Three Gateway Center
Pittsburgh, Pennsylvania, 15222
Lessee: Grand Trunk Western Railroad Co.
131 West Lafayette Boulevard
Detroit, Michigan, 48226

The equipment covered by said agreement is 100 50'6" 70-ton box cars currently bearing NSL road numbers 101100, 101101, 101103, 101108, and 101110 through 101205, inclusive, and to be renumbered to GTW 309700 through 309799, both inclusive, and with the legend "Owned by Westinghouse Leasing Corporation" or other security stenciling on each unit.

Enclosed is our check No. 214 in the amount of \$50.00 for the required recordation fee. Please accept for recordation one counterpart of the enclosed agreement, stamp the remaining counterpart with your recordation number and return it to the undersigned at the above address.

Sincerely,

GRAND TRUNK WESTERN RAILROAD COMPANY

By: Mary P. Sclawy
Mary P. Sclawy, Attorney

MPS:bjm
Enclosures

cc: Mr. James Meighen, Westinghouse Credit Corporation

December 9, 1980

RECORDATION NO. 12589

DEC 17 1980 2:10 PM

INTERSTATE COMMERCE COMMISSION

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

Attention: Mr. Paul E. Tatro
Vice President - Finance

Gentlemen:

This letter will form our mutual and binding agreement for the leasing by the Grand Trunk Western Railroad Company ("GTW") from Westinghouse Leasing Corporation ("WLC") of up to one hundred 70-ton general purpose boxcars bearing Road Nos. NSL 101100-101101, 101103, 101108, 101110-101205,*inclusive (the "Equipment") owned by WLC, on and subject to the terms and conditions described below and subject to approval by GTW of specifications. The Equipment is currently in the possession of the National Railway Utilization Corporation ("NRUC") under lease from WLC.

1. Delivery of Equipment to GTW. WLC will use its best efforts to obtain control of the Equipment from NRUC as soon as possible, by termination of the lease between NRUC and WLC or otherwise. WLC will be responsible for arranging delivery of possession of the Equipment to GTW at a GTW interchange point; GTW agrees to use its best efforts to assist WLC in arranging for such delivery. At the time of such delivery of possession, each item of Equipment ("Item") shall be subject to a lease ("Lease") comprised of this letter agreement and the additional provisions incorporated herein by the references in paragraph 9 below. Following such delivery, GTW will, at WLC's expense, arrange to have each Item moved, at WLC's expense, to GTW's repair facility at Battle Creek, Michigan. Transportation expenses shall be assessed at the rate of \$.28 per mile per car for all movements over GTW, Central Vermont, Canadian National, and Detroit, Toledo and Ironton tracks. GTW will use its best efforts to route movement the most efficient and least expensive way practicable. GTW will, upon delivery, inspect each Item for compliance with AAR Interchange Rules and FRA Regulations and for obvious damage. GTW will, upon delivery, make any repairs necessary to take the Item in interchange at WLC's expense. Upon arrival of each Item at GTW's repair facilities, GTW will inspect the Item for damage other than normal wear and tear considering the age of the Item. If, upon such inspection, the Item is acceptable to GTW, GTW will, after renumbering, accept such Item and execute and deliver to WLC an Acceptance Certificate. If the Item is found to have been damaged (other than by normal wear and tear considering the age of the Item), GTW will notify WLC of the type and extent of damage and GTW's estimate of the cost of repairing the Item. GTW will make any repairs costing \$300 or less at WLC's expense; otherwise, GTW will hold the Item until WLC instructs GTW whether to repair the Item or to dispose of the Item for WLC's account. WLC agrees to instruct GTW promptly following receipt of such notice. If WLC instructs GTW to repair the Item, GTW will do so at the expense of WLC. Upon the completion of any repairs, GTW will, after renumbering, accept such Item and execute and deliver to WLC an Acceptance Certificate. If WLC instructs GTW to dispose of the Item, GTW will do so

* to be renumbered GTW 309700 - 309799

and the Item will, upon such disposition, be excluded from the Lease. GTW will document all damages and assist WLC in asserting its claims against NRUC or other responsible entity for costs of repair work. The term "Unit" shall mean an Item following issuance of an Acceptance Certificate.

2. Renumbering of Items. GTW will replace the present Road Numbers with GTW Road Numbers that will have been pre-recorded with the Interstate Commerce Commission ("I.C.C.") and will otherwise mark each Item with any other marking necessary to identify the Unit by any other railroad as a unit belonging to GTW. WLC will pay to GTW the amount of \$125 for each Unit so marked. GTW will file all necessary documentation with the I.C.C. to protect WLC's interest in the Units. WLC will certify to GTW that each Unit, at the time of its acceptance by GTW, is free from any lien or encumbrance that would adversely affect GTW's legal right to use the Unit.

3. Rental. GTW will pay to WLC in arrears the amount of \$912.50 per quarter ending January 31, April 30, July 31 and October 31 as rental for each Unit, provided that for any partial quarter the rental shall be \$10.00 per day or part of a day per Unit. If GTW is the lessee of the Units on January 31, 1982, the rental for the next two succeeding quarters shall be \$0 per Unit per quarter.

4. GTW's Right to Cancel. GTW shall have the right at any time to cancel the Lease with respect to all but not less than all of the Equipment by giving at least sixty days' written notice to WLC of such cancellation, such notice to specify the effective date of such cancellation. If such notice is given by GTW effective prior to January 31, 1982, then as a condition to the effectiveness of such notice GTW shall remit with such notice the amount of \$125.00 for each Unit; other rental charges for a Unit shall continue to and including the day on which the cancellation is effective.

5. WLC's Right to Cancel; GTW's Right of First Refusal. WLC shall have the right at any time to cancel the Lease with respect to all but not less than all of the Equipment by giving at least ninety days' written notice to GTW of such cancellation, such notice to specify the effective date of such cancellation. If WLC elects to cancel the Lease and the cancellation becomes effective before GTW has received the full benefit of the two-quarter \$0 rental under paragraph 3 above, WLC shall remit to GTW the amount of \$10.00 per Unit per day for each day GTW has been deprived of such benefit, payable at the time the cancellation becomes effective. So long as GTW is not in default hereunder, until January 31, 1984, GTW shall have a right of first refusal with respect to any disposition transaction (lease or otherwise) that WLC is willing to accept prior to the effective date of any cancellation. This right shall not adversely affect GTW's right to the benefit of the two-quarter \$0 rental under paragraph 3 above.

6. GTW's Option to Convert into Long Term Lease. At any time prior to February 1, 1984, GTW shall have the option to convert such Lease into a long term lease at a rental rate of \$866.88 per quarter per Unit, with respect to all but not less than all of the Units, for a term of fifteen years from the date of such conversion provided that if such

conversion occurs prior to August 1, 1982, the termination date of such long term lease shall be July 31, 1997. Exercise of such option shall void the rights of GTW and WLC to cancel the Lease under paragraphs 4 and 5 above.

7. Responsibility for Repairs Prior to Conversion into Long Term Lease. Following delivery of possession of each Unit to GTW, and continuing until conversion of the Lease into a long term lease pursuant to paragraph 6 above (or earlier cancellation by either party), GTW shall be responsible for all running repairs and for repairing all damage of the type includable in the AAR "defect card" procedures under which a railroad or other user delivering a car through interchange is responsible for any such damage existing at the time of interchange. Unless GTW converts the Lease into a long term lease pursuant to paragraph 6 above, GTW shall not be responsible for minor damage and wear and tear that does not of itself diminish the utility of the car but which would customarily be repaired during a major periodic maintenance refurbishment.

8. Storage. If GTW exercises its right to cancel under paragraph 4 above, GTW agrees to store the Units for six months on GTW's tracks (at GTW's risk) at no expense to WLC and after such six-month period to provide storage, at WLC's risk, for an unlimited term at a cost to WLC of \$1.00 per day per Unit.

9. Additional Provisions. The following provisions of that certain Sublease of Railroad Equipment dated as of January 2, 1979 between GAMS Transportation, Inc., and GTW covering 191 XF Boxcars are hereby incorporated herein by this reference: Sections 6, 7 (except the Investment Credit increment), 9, 10(A), (B)(y), (C), (D), (E) and (F), the damage provisions of subparagraph 10 (a) and (b) on the basis that the lease terminates 60 days after an Event of Default, 11, 12, 15, 19 and 21, excepting only for the provisions in this letter agreement to the contrary and for provisions relative to the leveraged and the sublease nature of the transaction to which such document relates.

10. Casualty Values. Casualty Values shall be the same as those contained in WLC's current lease with NRUC, a copy of which is attached hereto.

11. Cut-Off Date. Whether or not the Lease has been cancelled pursuant to paragraph 4, GTW will accept any Item tendered by May 31, 1981, and if 80 Items or more have been delivered by May 31, 1981, GTW will accept delivery of any Item delivered thereafter, and will store it as if it were a Unit under paragraph 8.

12. Counterpart Execution; Governing Law. This letter agreement may be executed in several counterparts, such counterparts together constituting but one and the same instrument. The terms of this lease and all rights and obligations hereunder shall be governed by the laws of the State of Michigan; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303.

Grand Trunk Western Railroad Company
December 9, 1980
Page Four

Please execute and return to us an executed copy of this letter agreement, which thereupon will constitute a binding contract subject only to WLC obtaining control of the Equipment from NRUC.

Very truly yours,

WESTINGHOUSE LEASING
CORPORATION

By: R. T. Jackson

Title: Vice President, Business Financing

ACCEPTED AND AGREED TO:

GRAND TRUNK WESTERN RAILROAD
COMPANY

By: Paul E. Tatro
Paul E. Tatro
Vice President - Finance

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY, ss:

On this 10th day of December, 1980,
before me personally appeared R. T. Jackson,
to me personally known, who being by me duly sworn, says
that he is the Vice President, Business Financing
of Westinghouse Leasing Corporation, 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.

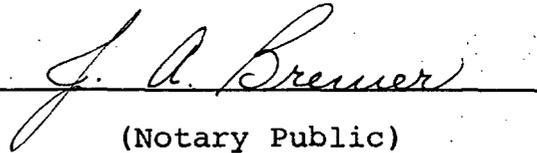
Mary Ann Kelleher
Notary Public

(Notarial Seal)

My commissions expires: **MARY ANN KELLEHER, Notary Public**
Pittsburgh, Allegheny County, Pa.
My Commission Expires Nov. 30, 1981

STATE OF MICHIGAN
COUNTY OF WAYNE, ss:

On this 15th day of December,
1980, before me personally appeared P. E. Tatro,
to me personally known, who being by me duly
sworn, says that he is the Vice President
Finance of Grand Trunk Western Railroad, 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.


(Notary Public)

(Notarial Seal)

My commission expires:

J. A. BREWER
Notary Public, Wayne County, Mich.
My Commission Expires Dec. 16, 1981

Attention: Mr. Paul Tatro

Re: Westinghouse Leasing Corporation
One Hundred 50-Foot Boxcar Lease

Casualty Value.

The Casualty Value of each Unit as of each rental payment date in respect thereto shall be that percentage of the Purchase Price of such Unit as is set forth below opposite the indicated Rental Payment Date and shall be in addition to the rental payment due on such rental payment date.

<u>Rental Payment Date</u>	<u>Percentage</u>
1/31/81	103.06
4	102.75
7	96.06
10	95.69
1/31/82	95.26
4	94.79
7	94.26
10	93.69
1/31/83	93.06
4	92.38
7	85.25
10	84.47
1/31/84	83.65
4	82.78
7	81.85
10	80.89
1/31/85	79.87
4	78.81
7	71.28
10	70.13
1/31/86	68.93
4	67.68
7	66.37
10	65.04
1/31/87	63.65
4	62.22
7	60.74
10	59.22
1/31/88	57.67
4	56.06
7	54.41
10	52.72
1/31/89	50.99
4	49.22
7	47.40
10	45.55
1/31/90	43.66
4	41.73
7	39.74
10	37.74
1/31/91	35.69
4	33.61
7	31.47
10	29.31

<u>Rental Payment Date</u>	<u>Percentage</u>
1/31/92	27.12
4	24.88
7	22.58
10	20.27
1/31/93	20.00
(4/93 AND THEREAFTER)	20.00

Purchase Price \$34,000 per Unit

STATE OF MICHIGAN)
) ss:
COUNTY OF WAYNE)

On this 22nd day of October, 1981, before me personally appeared P.E. TATRO to me personally known, who, being by me duly sworn, says that he is 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.

J. Isabelle Matusko
Notary Public

[NOTARIAL SEAL]

My Commission Expires

J. ISABELLE MATUSKO,
Notary Public, Oakland County, Michigan
Acting in Wayne County, Michigan
My Commission Expires March 14, 1983

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF Allegheny)

On this 14th day of October, 1981, before me personally appeared R.T. Jackson, to me personally known, who, being by me duly sworn, says that he is Vice President of WESTINGHOUSE LEASING CORPORATION, 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.

Ann H. Tongel
Notary Public

[NOTARIAL SEAL]

My Commission Expires

ANN H. TONGEL, Notary Public
Pittsburgh, Allegheny County, Pennsylvania
My Commission Expires July 22, 1985