

Earl C. Opperthausen
Vice President & General Counsel

John C. Danielson
General Attorney

Dennis W. Krakow
Senior Trial Attorney

Robert I. Schellig, Jr.
Trial Attorney

John A. Ponitz
Trial Attorney

Mary P. Sclawy
Senior Attorney

Christopher A. Rodgers
Attorney



Grand Trunk Rail System

Law Department

131 West Lafayette Blvd.
Detroit, Michigan 48226
(313) 962-2260

RECORDATION NO. 5912-18 File 1425

MAY 9 1984 3 25 PM

INTERSTATE COMMERCE COMMISSION

May 4, 1984
File: 352-
Sep

4-130A097

Mr. James H. Bayne
Acting Secretary
Interstate Commerce Commission
12th & Constitution Ave., N.W.
Washington, D.C. 20423

No. MAY 9 1984
Date
Fee \$ 10.00
ICC Washington, D. C.
RECEIVED
MAY 9 1984
FEE OPERATION BR.
I.C.C.

Dear Mr. Bayne:

Enclosed for recordation with the Interstate Commerce Commission pursuant to section 11303 of the Interstate Commerce Act are two counterparts of an agreement for the purchase of equipment dated as of March 15, 1984. This agreement is a secondary agreement, the primary agreement being a lease dated as of December 15, 1970 and filed with the Commission on December 28, 1970 and assigned recordation No. 5912. The cars involved in this agreement are fifty-four (54) flat cars with tri-level auto racks attached. They bear the road numbers shown on exhibit 1 attached to this letter. (The remaining flat cars in the above-referenced lease are the subject of an agreement which is submitted simultaneously but under separate cover letter with this agreement.)

The parties to the agreement hereby submitted for recordation are:

Vendor: Lloyds Bank California
444 Marker Street
San Francisco, CA 94111

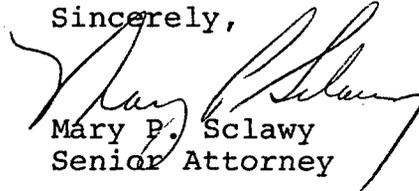
Vendee: Canadian National Railway Co.
935 de La Gauchetiere Street
West Montreal, Quebec H3B 2M9

Also enclosed is our check No. 967 in the amount of \$10.00. Please accept one counterpart of this document

James H. Bayne
May 4, 1984
Page Two

for filing, stamp the remaining document with your recordation number and return it with your fee receipt to the undersigned.

Sincerely,



Mary P. Sclaw
Senior Attorney

MPS:mg
Enclosure

Exhibit 1

Original
Identification
Car Number

Current
Identification
Car Number

GTW 304853	CNA 702844
304854	702845
304855	702846
304856	702847
304858	702848
304859	702849
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304861	702851
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304917	702892
304918	702893
304919	702894
304920	702895
304922	702896
304923	702897
304924	702898
304925	702899

Interstate Commerce Commission
Washington, D.C. 20423

5/10/84

OFFICE OF THE SECRETARY

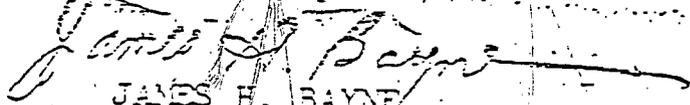
Mary P. Sclawy
Senior Atty.
GT Rail System
131 West Lafayette Blvd.
Detroit, Michigan 48226

Dear Ms. Sclawy:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/ /84 at 3:25pm and assigned re-
recording number(s).

5912-B

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

RECORDATION NO. 5912-B Filed 1425

MAY 9 1984 3 25 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT FOR THE PURCHASE OF EQUIPMENT

This Agreement for the Purchase of Equipment ("Agreement"), dated as of March 15, 1984 by and between LLOYDS BANK CALIFORNIA as successor-in-interest to FIRST WESTERN BANK AND TRUST COMPANY, as Owner-Trustee under a Trust Agreement dated as of December 15, 1970 ("Trust Agreement"), as seller ("Seller") and CANADIAN NATIONAL RAILWAY COMPANY, as purchaser ("Purchaser").

WITNESSETH

WHEREAS, on or about December 15, 1970 Seller, in its capacity as Owner-Trustee and Lessor, entered into a certain Lease of Railroad Equipment ("Lease") with Grand Trunk Western Railroad Company ("GTW"), as Lessee, including, inter alia, certain Tri-Level Flat Cars (hereinafter referred to individually as "Unit" and collectively as "Leased Equipment") more particularly described in Schedule A to the Lease; and

WHEREAS, pursuant to that certain Finance Agreement dated as of December 15, 1970, First Trust Company of Saint Paul ("Agent") was appointed as Agent for the investors ("Initial Investors") denominated on Schedule A thereto; and

WHEREAS, substantially all of the Initial Investors, acting in the ordinary course of business, have sold or otherwise conveyed their investment interests to the secondary investors ("Secondary Investors") denominated on Exhibit A hereto; and

WHEREAS, Purchaser, of which GTW is a wholly owned subsidiary, is the guarantor of GTW's financial obligations under the Lease; and

WHEREAS, GTW, in accordance with the terms of the Lease, subleased to Purchaser those units of the Leased Equipment denominated on Exhibit B hereto ("Subleased Equipment"); and

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WHEREAS, Purchaser desires to make substantial improvements ("Capital Improvements") to the Subleased Equipment; and

WHEREAS, Purchaser desires that the Capital Improvements should enure to the benefit of Purchaser upon expiration of the Lease; and

WHEREAS, Seller agrees to sell and Purchaser agrees to purchase the Subleased Equipment for a sum certain upon expiration of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Sale and Purchase of Units of Subleased Equipment:

1.1 Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller all Units of the Subleased Equipment including the absolute right to the possession thereof, title thereto and property therein at the expiration of the Lease for the consideration of \$6,500 per Unit.

1.2 The total purchase price ("Purchase Price") shall be determined by multiplying the per Unit Purchase Price specified in Section 1.1 by the number of Units listed in Exhibit B less any Units that shall have suffered "Casualty Occurrences" and for which the "Casualty Value", as such terms are defined in the Lease, shall have been paid pursuant to SS 6 of the Lease.

1.3 The Purchase Price shall be payable in U.S. dollars on January 15, 1986 ("Closing Date") to be remitted to Seller at an address and in a form to be specified by Seller.

2. Rights, Title, Interests; Bill of Sale:

Upon payment of the Purchase Price by Purchaser on the Closing Date all rights, title and interests in all Units of Subleased Equipment shall pass, be transferred and be assigned to the Purchaser as of and effective on the Closing

4.17

Date. Such transaction shall be evidenced by a Bill of Sale substantially in the form set forth in Exhibit C hereto issued by the Seller which shall also take such other action as Purchaser may reasonably request for the purposes of transferring to Purchaser ownership of and title to all Units of Subleased Equipment.

3. Delivery and Standard of Acceptance:

Seller shall be under no obligation to deliver the Subleased Equipment to any location. Purchaser agrees to accept the Subleased Equipment on an "as-is, where-is" basis.

4. Warranties:

SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO DESIGN, VALUE, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE SUBLEASED EQUIPMENT. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE SUBLEASED EQUIPMENT FOR ANY PARTICULAR PURPOSE OR ANY OTHER WARRANTY OR REPRESENTATION WHATSOEVER EXCEPT THE SPECIFIC REPRESENTATIONS AND WARRANTIES SPECIFIED IN EXHIBIT C AND IN SECTION 8 OF THIS AGREEMENT. SELLER SHALL IN NO EVENT BE RESPONSIBLE FOR DAMAGES ARISING IN STRICT LIABILITY OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING.

5. Taxes:

Purchaser agrees to pay any and all sales taxes, use taxes, transfer taxes, documentary taxes, customs duties or similar taxes or charges ("Taxes"), excluding income taxes arising out of, as the result of or in connection with the transaction contemplated by this Agreement; and Purchaser further agrees to indemnify and hold Seller harmless with respect to any claim against Seller for any such Taxes; provided, however, that Seller will execute any documents as reasonably requested by Purchaser to enable Purchaser to dispute the imposition or amount, or to reclaim the amount paid or payable by Purchaser hereunder.

ATP

6. Effect of this Agreement upon the Lease:

Nothing contained in this Agreement shall be construed as a modification or waiver of any provision of the Lease, said Lease remaining in full force and effect and enforceable in accordance with its terms, except that solely for the purpose of enabling the parties hereto to perform this Agreement, Seller does waive the restriction embodied in SS 12 of the Lease limiting GTW's right to purchase "all but not fewer than all Units" covered by the Lease.

7. Purchaser's Representations:

Purchaser hereby represents that it has received from an authorized representative of GTW, a waiver of GTW's rights to possession of the Subleased Equipment subsequent to the expiration of the Lease, either (i) by way of an extension, if any, of the terms of the Lease, or (ii) by way of the exercise of any option to purchase. A copy of said waiver is attached hereto as Exhibit D.

8. Seller's Representations:

Seller hereby represents that:

- 8.1 Seller is the successor-in-interest to FIRST WESTERN BANK AND TRUST COMPANY, the original Owner-Trustee under the Trust Agreement.
- 8.2 No action has been taken to modify or terminate the Trust Agreement.
- 8.3 Seller has given notice substantially in the form of Exhibit E hereto of the substance of the transaction contemplated by this Agreement to the Agent and Secondary Investors and that as of the date of this Agreement, Seller has received no written objection to consummation of this transaction.

M. B. P.

9. Events of Default:

An "Event of Default", as defined in SS 9 of the Lease, under the Lease shall constitute an event of default under this Agreement. Further, non-payment by Purchaser of the Purchase Price shall constitute an event of default under this Agreement.

10. Remedies Upon Default:

Upon the occurrence of any event of default, including an Event of Default, all remedies available to Seller (in its capacity as Lessor) under the Lease shall be available to Seller under this Agreement. Further, in the event that Seller properly exercises its remedy of entering and taking possession of the Subleased Equipment, all Capital Improvements made to the Subleased Equipment by Purchaser shall inure to the benefit of Seller.

11. Miscellaneous:

11.1 The execution and delivery of this Agreement, and the transaction contemplated hereby, have been duly authorized by all necessary corporate action of the parties, which have the right, power and authority to enter into and perform the undertaking provided for in this Agreement, and this Agreement has been duly executed and delivered by the parties and constitutes the legal, valid and binding agreement of the parties enforceable in accordance with its terms.

11.2 This Agreement shall be governed by the laws of the State of California.

11.3 This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same Agreement, which shall be sufficiently evidenced by any one of such original counterparts.

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11.4 No modification or waiver of any provision hereof shall be effective unless in writing, duly executed by the parties hereto.

11.5 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement by their duly authorized officers, all as of the date first above written.

Seller:

LLOYDS BANK CALIFORNIA AS
SUCCESSOR-IN-INTEREST TO FIRST
WESTERN BANK AND TRUST COMPANY, AS
OWNER-TRUSTEE

By Paula S. Brown
Title Assistant Vice President
& Trust Officer
Date MAR 20 1984

Purchaser:

Approved
as to form only
[Signature]
Attorney

CANADIAN NATIONAL RAILWAY COMPANY

By [Signature]
VICE-PRESIDENT
By Mrs. Andree Perron
Assistant Secretary
Date March 26, 1984

EXHIBIT A

Agent:

First Trust Company of St. Paul
Corporate Trust Department
First National Bank Building
Saint Paul, MN 55101
Attn: Diane Running

Secondary Investors:

Jaquith & Co.
P.O. Box 2408
Church Street Station
New York, NY 10008

Los Angeles Unified School Dist. Annuity
Reserve Fund
437 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Safeco Life Insurance Co.
Safeco Plaza
Seattle, WA 98195
Attn: Investment Dept. T-14

Trustees Acacia Retirement Plan for Agents
Managers and Employees
51 Louisiana Avenue N.W.
Washington, D.C. 20001

Leslie and Co.
c/o Irving Trust Co.
Personal Trust Division
1 Wall Street
New York, NY

Century Life Insurance Company
Heritage Way
Waverly, IA 50677
Attn: Cashier's Dept.

MOCO
Cal First Bank
Securities Cage No. 14800
P.O. Box 109
San Diego, CA 92112

PABCO
P.O. Box 1907
Des Moines, IA 50306

Handwritten initials

EXHIBIT B

List of Subleased Equipment

<u>Original Identification Car Number</u>	<u>Current Identification Car Number</u>
GTW 304853	CNA 702844
304854	702845
304855	702846
304856	702847
304858	702848
304859	702849
304860	702850
304861	702851
304862	702852
304863	702853
304864	702854
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EXHIBIT C

Bill of Sale

To Purchaser: Canadian National Railway Company
935 de La Gauchetière Street, West
Montreal, Quebec.
H3B 2M9

Attention: Ms. Sandi Mielitz
Assistant Treasurer

Lloyd's Bank California as successor-in-interest to First Western Bank and Trust Company, as Owner-Trustee ("Seller"), in consideration of the payment of the sum of dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, sells and transfers to purchaser ("Purchaser") as named above all of Seller's rights, title and interest in and to the equipment as listed and described in the attached Schedule 1 hereto ("Equipment") to have and to hold the same unto Purchaser, its successors and assigns forever.

Warranties

- (1) Seller warrants unto Purchaser, its successors and assigns that, as of the date hereof, Seller has legal title to the aforesaid property and good and lawful right to dispose of said property, and Seller, for itself, its successors and assigns, covenants that it will warrant and defend such title against all claims and demands whatsoever.
- (2) Seller represents and warrants that the Equipment is free and clear of liens and encumbrances arising by, through or under Seller.
- (3) Seller represents and warrants that it has not executed any bill of sale or other instrument which by its express terms purported to transfer title to the Equipment to any other person.

SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO DESIGN, VALUE, OPERATION, OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE EQUIPMENT. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR ANY OTHER WARRANTY OR REPRESENTATION WHATSOEVER EXCEPT AS IS SET FORTH SPECIFICALLY IN PARAGRAPHS 1, 2 AND 3. SELLER SHALL IN NO EVENT BE RESPONSIBLE FOR DAMAGES ARISING IN STRICT LIABILITY OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING.

IN WITNESS WHEREOF, Seller has caused this instrument to be executed in its name by a duly authorized representative on the 15th day of January, 1986.

By: _____

Title: _____

SCHEDULE 1
to
BILL OF SALE

Original
Identification
Car Number

Current
Identification
Car Number

12/17/03

EXHIBIT D



Grand Trunk Western Railroad Co.

P. E. Tatro
Senior Vice President
Finance

131 West Lafayette Blvd.
Detroit, Michigan 48226

March 13, 1984

Lloyds Bank California
444 Marker Street
San Francisco, California 94111

Attention: Ms. Joanne S. Nelson
Trust Administrator Associate

RE: Lease of Railroad Equipment
dated as of December 15, 1970
("Lease") between First
Western Bank and Trust Company
(as "Owner-Trustee" and
"Lessor") and Grand Trunk
Western Railroad Company
(as "Lessee").

Dear Sirs:

This letter is addressed to you in your capacity as Owner-Trustee and Lessor, successor-in-interest to First Western Bank and Trust Company under Trust Agreement dated as of December 15, 1970. This will confirm that Grand Trunk Western Railroad Company hereby waives its rights to possession of the units of equipment subject to the captioned Lease listed on the attached Schedule 1; such rights to possession being either:

- (i) by way of an extension of the terms of the Lease, if any, or
- (ii) by way of the exercise of any option to purchase provided under the Lease.

Yours very truly,

A handwritten signature in cursive script that reads "P. E. Tatro".

P. E. Tatro

Attachment

1440

Schedule 1
List of Subleased Equipment

Original
Identification
Car Number

Current
Identification
Car Number

GTW 304853
304854
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M. H. J.

EXHIBIT E

February 23, 1984

Page 1 of 2

Gentlemen:

(Addressee) has an investment in certain railroad equipment leased by Lloyd's Bank California as successor-in-interest to First Western Bank and Trust Company, as Owner-Trustee, to Grand Trunk Western Railroad Company ("GTW"), as Lessee, pursuant to a certain Lease of Railroad Equipment dated as of December 15, 1970 (the "Lease"). It is the intention of the Owner-Trustee to comply with the instructions of the Beneficiary of the trust and to execute and enter into a certain Agreement For The Purchase Of Equipment (the "Agreement") on February 28, 1984.

Canadian National Railway Company ("Purchaser") of which GTW is a wholly-owned subsidiary, is the guarantor of GTW's financial obligations under the Lease. The Purchaser has had possession and use of 54 Tri-Level Flatcars (the "Equipment") more particularly described in Schedule A to the Lease, for substantially the entire term of the Lease and expects to continue to possess and use the Equipment through expiration of the Lease. However, in order to operate the Equipment efficiently and to comply with changing industry standards, substantial capital improvements are required and before Purchaser can commit the resources necessary to effect these improvements, Purchaser requires the assurance that it will be able to purchase the Equipment for a sum certain upon expiration of the Lease. The purpose of the Agreement is to establish the purchase price to be paid upon Lease expiration and to memorialize the commitments of Owner-Trustee and Purchaser to sell and purchase, respectively, the Equipment.

The substance of the Agreement is as follows:

- (1) The Lease and all ancillary agreements, will remain in full force and effect and enforceable in accordance with their terms.
- (2) The Owner-Trustee has agreed to sell and the Purchaser has agreed to purchase the Equipment for a sum certain upon expiration of the Lease.
- (3) The aforementioned capital improvements shall inure to the benefit of Purchaser unless an Event of Default under the Lease shall occur and remain uncured.

This notification is intended solely as a courtesy and requires no action on your part. Should you have any questions, please contact Mr. Stephen W. Jackson of ITEL Corporation, acting as agent for the Beneficiary, at (415) 955-0000.

Very truly yours,

Ms. Joanne Nelson
Trust Administrator

M MD

EXHIBIT E

March 13, 1984

Page 2 of 2

Dear _____:

With respect to the proposed transaction between Canadian National Railway Company and Lloyds Bank California described in the enclosed letter dated February 23, 1984, you were advised that consummation of the transaction would occur on February 28, 1984. Please be advised that the effective date of the document has been changed to March 15, 1984. The parties to the proposed transaction shall execute the documents on March 15, 1984 or as soon thereafter as deemed practicable. As the undersigned has received no communication in regard to the above referenced letter, the proposed transaction is assumed to be satisfactory to you and the parties thereto shall proceed forthwith to consummate the transaction.

Very truly yours,

Stephen W. Jackson

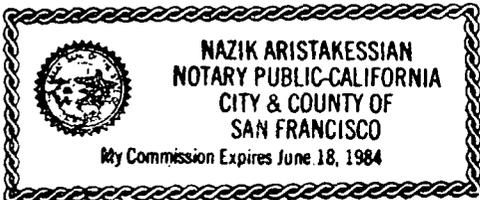
Director of Administration

M 172

CORPORATE FORM OF ACKNOWLEDGMENT

State of California)
)
County of San Francisco)

On this 20th day of MARCH , 1984, before me NAZIK ARISTAKESSIAN , a Notary Public in and for said County, personally appeared Paula S. Brown , to me personally known, who being by me duly sworn, says that she is Assistant Vice President of & Trust Officer Lloyd's Bank California, 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 she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Nazik Aristakesian
Notary Public

(SEAL)

My commission expires: June 18 , 1984.

PROVINCE OF QUEBEC)
) SS.:
CITY OF MONTREAL)

On this 26th day of March, 1984, before me personally appeared *Marie-Andrée Pénovreau*, to me personally known, who, being by me duly sworn, says that she is *Assistant Secretary* of CANADIAN NATIONAL RAILWAY 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 she acknowledged that the execution of the foregoing instrument *was* was the free act and deed of said corporation.


Commissioner for Oaths

M.J. PHIPPARD
COMMISSIONER FOR OATHS
COMMISSAIRE À L'ASSERMENTATION
DISTRICT - MONTRÉAL