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RECORDATION NO. 15439-C Filed 1425
DEC 31 1987 -11 10 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 15439-A Filed 1425
DEC 31 1987 -11 10 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 15439-B
DEC 31 1987 -11 10 AM
INTERSTATE COMMERCE COMMISSION

No.
Date DEC 31 1987
Fee $ 40.00
ICC Washington, D. C.

December 28, 1987

Grand Trunk Western Railroad Company
Lease Financing Dated as of December 1, 1987
10-1/4% Conditional Sale Indebtedness
Due January 28, 2000

Dear Ms. McGee:

Pursuant to 49 U.S.C § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Grand Trunk Western Railroad Company, for filing and recordation counterparts of the following documents:

1. (a) Conditional Sale Agreement dated as of December 1 1987, between U S West Financial Services, Inc., as Owner, and Trinity Industries, Inc., as Builder; and

(b) Agreement and Assignment dated as of December 1, 1987, between Trinity Industries, Inc., as Builder, and Mercantile-Safe Deposit and Trust Company, as Agent.

2. (a) Lease of Railroad Equipment dated as of December 1, 1987, between Grand Trunk Western Railroad Company, as Lessee, and U S West Financial Services, Inc., as Owner; and

(b) Assignment of Lease and Agreement dated as of December 1, 1987, between U S West Financial Services,

Counterpart — Joseph J. Hollway

Inc., as Owner, and Mercantile-Safe Deposit and Trust Company, as Agent.

The names and addresses of the parties to the aforementioned agreements are as follows:

1. Agent:

   Mercantile-Safe Deposit and
   Trust company
   Two Hopkins Plaza
   Baltimore, Maryland 21201

2. Owner:

   U S West Financial Services, Inc.
   230 Park Avenue
   New York, N.Y. 10169

3. Builder-Vendor

   Trinity Industries, Inc.
   2525 Stemmons Freeway
   Dallas, Texas 75207

4. Lessee:

   Grand Trunk Western Railroad Company
   1333 Brewery Park Boulevard
   Detroit, Michigan 48207

Please file and record the documents referred to in this letter and index them under the names of the Agent, the Owner, the Builder-Vendor and the Lessee.

The equipment covered by the aforementioned documents is listed on Exhibit A attached hereto. The equipment bears the legend "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission".

There is also enclosed a check for $20 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document), and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish

to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
as Agent for
Grand Trunk Western Railroad
Company

Noreta R. McGee,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.

[CS&M Ref. 543-92]

RECORDATION NO. _____ Filed 1425

DEC 31 1987 - 11 10 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of December 1, 1987

Between

U S WEST FINANCIAL SERVICES, INC.,
as Owner,

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent,

[P72745/COVERASG/20N/WPC]

ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1987, between U S WEST FINANCIAL SERVICES, INC., a Colorado corporation ("Owner"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as agent ("Agent") under a Participation Agreement dated as of the date hereof ("Participation Agreement").

The Owner is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with Trinity Industries, Inc. ("Builder") providing for the sale to the Owner of such units of railroad equipment ("Units") described in Annex B to the CSA as are delivered to and accepted by the Owner thereunder.

GRAND TRUNK WESTERN RAILROAD COMPANY ("Lessee") and the Owner have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing by the Owner to the Lessee of the Units.

The Owner will assign certain of its rights under the Lease to the Agent in order to secure the obligations of the Owner under the CSA and as an inducement to the Investors (as defined in the Participation Agreement) to invest in the CSA Indebtedness (as defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. The Owner hereby transfers and assigns to the Agent, as collateral security for the payment and performance of the obligations of the Owner under the CSA, all the Owner's right, title and interest, powers, privileges and other benefits under the Lease (except any amounts of indemnity payable pursuant to Sections 6 and 12 of the Lease, any proceeds of public liability insurance maintained pursuant to Section 7.6 of the Lease payable to the Owner, any amounts payable to the Owner pursuant to the second paragraph of Section 7.6 or Section 20 of the Lease and any indemnity payments made pursuant to the Indemnity Agreement dated as of the date hereof between the Lessee and the Owner, collectively, "Excepted Payments"), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner from the Lessee under or pursuant to the provisions of the Lease, whether as rent, casualty

payment, indemnity, liquidated damages or otherwise (such moneys other than Excepted Payments, being called "Payments"), and the right, upon the happening of an Event of Default, to make all waivers and agreements, to give all notices, consents and releases, to take all action specified in the Lease and to do any and all other things whatsoever which the Owner is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Owner or as its attorney to demand, sue for, collect and receive any and all Payments to which the Owner is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof, and the Agent shall have the exclusive right to control any such proceedings to enforce compliance by the Lessee with all the terms and provisions of the Lease. None of the following provisions of this Assignment shall be construed to apply to Excepted Payments.

The Agent agrees to accept any Payments made by the Lessee for the account of the Owner pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Owner under the CSA then due and payable and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Owner on the same date such Payment is applied to satisfy such obligations of the Owner by bank wire of immediately available Federal funds to the Owner on such date at such address as may be specified to the Agent in writing, and such balance shall be retained by the Owner. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Owner and the Lessee at their respective addresses set forth in the Lease; provided, however, that the failure of the Agent to so notify the Owner shall not affect the obligations of the Owner hereunder or under the CSA.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Owner under the Lease. Notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against persons other than the Agent.

3. The Owner will faithfully perform each and every obligation, covenant and agreement which the Lease provides is to be performed by the Owner and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease, all except as permitted by Section 12.2 of the CSA. Any such amendment, waiver, modification or termination of the Lease without the Agent's consent shall be void.

4. The Owner hereby constitutes the Agent the Owner's true and lawful attorney, irrevocably, with full power (in the name of the Owner or otherwise) to demand and receive all Payments due and to become due under or arising out of the Lease to which the Owner is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Owner under the CSA, this Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Owner. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Owner under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Owner will pay and discharge any and all claims, liens, charges or security interests described in the proviso to Section 13.3 of the CSA to the extent required by said proviso.

7. Upon the request of the Agent, the Owner will from time to time execute, acknowledge and deliver any and all further instruments required by law or requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. 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 Agent hereunder.

9. This Assignment shall be governed by and construed in accordance with the laws of the State of Colorado; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording, or depositing hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Assignment shall be filed, recorded or deposited or in which any Unit shall be located, and any rights arising out of the marking of the Units.

10. The Owner shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or mailed to the Agent at its address set forth in the CSA or at such other address as the Agent shall designate.

11. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Owner to the Agent by this Assignment, except the right to demand, sue for, collect, receive and apply the Payments as provided in Section 1 hereof, and the Owner may (if the Agent is not already doing so) exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Owner shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent.

12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual dates of execution

hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

U S WEST FINANCIAL SERVICES, INC.,

by _____
Vice President

[Corporate Seal]

Attest:

_____
Asst Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by _____
Vice President

[Seal]

Attest:

_____
Coporate Trust Officer

hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

U S WEST FINANCIAL
SERVICES, INC.,

by

_____
Vice President

[Corporate Seal]

Attest:

_____
Secretary

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent,

by

_____
Vice President

[Seal]

Attest:

_____
Coporate Trust Officer

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this 29th day of December 1987, before me personally appeared Harry T. Nullet , to me personally known, who, being by me duly sworn, says that he is a Vice President of U S WEST FINANCIAL SERVICES, INC., that one of the seals affixed to the foregoing instrument is the 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 .

Angela J. Albanese
Notary Public

ANGELA J. ALBANESE
Notary Public, State of New York
No. 4798548
Qualified in Rockland County
Certificate Filed in New York County
Commission Expires Sept. 30, 1988

[Notarial Seal]

My Commission expires

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the 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

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this day of December 1987, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of U S WEST FINANCIAL SERVICES, INC., that one of the seals affixed to the foregoing instrument is the 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

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this 28th day of December 1987, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the 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.

Patricia A. Conn
Notary Public

[Notarial Seal]

My Commission expires 7-1-90

CONSENT AND AGREEMENT

Grand Trunk Western Railroad Company, a Michigan and Indiana corporation ("Lessee"), the lessee named in the Lease of Railroad Equipment ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Lease Assignment"), hereby acknowledges receipt of a copy of the Lease Assignment and consents to the lease assignment in accordance with the terms of the Lease Assignment and agrees that:

(1) Pursuant to § 3.3 of the Lease, it will pay all Payments (as defined in the Lease Assignment) payable under the Lease by bank wire transfer of Federal funds directly to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as agent ("Agent"), the assignee named in the Lease Assignment, at Two Hopkins Plaza, Baltimore, Maryland 21201, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Agent), for credit to its Corporate Trust Department's Account No. 620081-8 with advice that the payment is "Re: GTW 12/1/87".

(2) it shall not be entitled to any abatement of rent or additional rent, reduction thereof or setoff against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Owner under the Lease or under the CSA or against the Builder (as defined in the Lease Assignment) or the Agent or otherwise (provided that the foregoing shall not be deemed a waiver by the Lessee of its rights to pursue any past, present or future claims directly against the Builder or the Lessee's right to require the Owner to perform the Owner's obligations under the Documents (as defined in the Participation Agreement dated as of the date hereof));

(3) the Agent shall be entitled to the benefits of and to receive and enforce performance of all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Owner to the extent provided in the Lease Assignment; and the Agent shall not by virtue of the Lease Assignment be or become subject to any liability or obligation under the Lease or otherwise; and

(4) without the prior written consent of the Agent, the Lease shall not be terminated or modified nor shall any action be taken or omitted by the Lessee which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Agent and its successors and assigns under the laws of the State of Michigan, and for all purposes, shall be construed in accordance with the laws of said state.

GRAND TRUNK WESTERN RAILROAD COMPANY,

by

~~Vice President~~ TREASURER

[Corporate Seal]

Attest:

ASST. Secretary

The foregoing Consent and Agreement is hereby accepted as of December 1, 1987.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

Vice President

(4) without the prior written consent of the Agent, the Lease shall not be terminated or modified nor shall any action be taken or omitted by the Lessee which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Agent and its successors and assigns under the laws of the State of Michigan, and for all purposes, shall be construed in accordance with the laws of said state.

GRAND TRUNK WESTERN RAILROAD COMPANY,

by

_____
Vice President

[Corporate Seal]

Attest:

_____
Secretary

The foregoing Consent and Agreement is hereby accepted as of December 1, 1987.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

_____
Vice President