

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
Attorney

Christopher A. Rodgers
Attorney



Grand Trunk Rail System

Law Department

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

3-018A039

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RECORDATION NO. FILE NO.

No. JAN 18 1983

Date JAN 18 1983 - 12 40 PM

Fee \$ 50.00 INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

January 14, 1983

File: 352-Sep.

RECEIVED
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I.C.C. OPERATION BR.

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

Dear Mrs. Mergenovich:

Enclosed for recordation with the Interstate Commerce Commission pursuant to 49 USC §11303 are counterparts of an Agreement of Sale and Purchase, dated as of February 15, 1970, providing for the purchase of rolling stock subject to a lease dated as of December 3, 1968, among Grand Trunk Western Railroad Company, Detroit Bank & Trust Company, D. E. Mundell & Ben L. Maushardt, not individually but solely as trustees. Said Agreement and Purchase is a primary document.

Parties to said document are:

Vendors: Comerica Bank - Detroit
(formerly Detroit Bank & Trust Company)
211 West Fort Street
Detroit, Michigan 48231

D. E. Mundell & Ben L. Maushardt, Trustees
c/o United States Lease Financing, Inc.
633 Battery Street
San Francisco, California 94111

Vendee: Canadian National Railway Company
935 LaGauchetiere West
Montreal, Quebec H3C 3N3
Canada

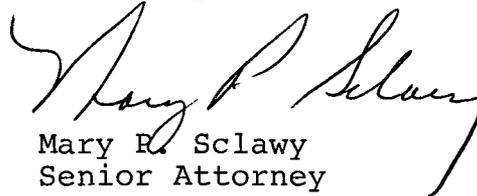
Mrs. Agatha L. Mergenovich
January 14, 1983
Page Two

Agent for the United States Leasing International,
Vendor-Trustees: Inc.
633 Battery Street
San Francisco, California 94111

The description of the equipment covered by said document is various kinds of railroad rolling stock as described more fully in Schedule A which is attached to this letter.

Also enclosed is check No. 0000104 in the amount of \$50.00. Please accept one counterpart of the document for filing, stamp the remaining with your recordation number and return them with your fee receipt to the undersigned.

Sincerely,



Mary R. Sclaw
Senior Attorney

MPS/cda
Encls.

EXHIBIT A

SCHEDULE A

MANUFACTURER:

National Steel Car Corporation, Ltd.

DESCRIPTION OF EQUIPMENT:

163 50'6" 70-ton cushioned underframe
box cars.

MATURITY DATE: APRIL 21, 1985

ADDITIONAL AMOUNT PER ITEM:

CASUALTY SETTLEMENT DATE

\$3,175
3,482
3,803
4,139
4,489

4/21/83
10/21/83
4/21/84
10/21/84
4/21/85

SERIAL NUMBERS:

CVC 402826 - 402999, excluding: 402826, 402834, 402856, 402857,
402890, 402903, 402915, 402933,
402937, 402950 and 402990

Handwritten initials

AGREEMENT OF SALE AND PURCHASE
(GTW No. 4 - CN PURCHASE)

JAN 18 1983 - 2 40 PM

INTERSTATE COMMERCE COMMISSION

This agreement executed and delivered on the 23rd day of December 1982 is among Comerica Bank-Detroit, a Michigan corporation (formerly Detroit Bank and Trust Company) ("Trustor"), The Bank of California, N.A., solely as trustee ("Trustee"), United States Leasing International, Inc., a California corporation, solely as agent for the Trustee ("Agent"), and Canadian National Railway Company, a Canadian corporation, ("Purchaser").

RECITALS:

A. Trustor is the sole beneficial owner of a trust ("Trust") established pursuant to a certain trust agreement dated as of February 15, 1970 ("Trust Agreement") among Trustor, Trustee and Agent.

B. Pursuant to the Trust Agreement, the Trustee acquired certain railroad equipment ("Equipment") and leased it to Grand Trunk Western Railroad Company, a Michigan corporation ("Lessee"), under the terms of a certain equipment lease dated February 15, 1970 ("Lease") for a base lease term which expires April 21, 1985, with the obligations of Lessee under the Lease guaranteed by Purchaser.

C. Trustee and Agent entered into a certain loan agreements ("Loan Agreements") dated February 15, 1970 with The Equitable Life Assurance Society of The United States ("Lender") pursuant to which Trustee borrowed a portion of the purchase price of the Equipment, which indebtedness is evidenced by promissory notes and pursuant to the terms of Security Agreement-Trust Deed, dated April 17, 1970 (together with all supplements thereto and related agreements, "Security Agreement") is secured by certain liens on the Equipment ("Liens").

D. Trustor wishes to sell its beneficial interest in that portion of the Equipment listed in Exhibit A hereto, which consists of Schedule A ("Exhibit A Equipment"), subject to the Lease and the Liens, and Purchaser wishes to acquire such interest.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Sale and Purchase. Trustor and Trustee hereby agree to sell, transfer, and assign to Purchaser and Purchaser hereby agrees to purchase and acquire, from Seller, on April 21, 1985 ("Transfer Date"), for the consideration set forth in paragraph 2 below ("Purchase Price"), the rights, title and interests of Trustor

WAP

and Trustee in the Exhibit A Equipment subject, however to the Liens and to the Lease, both of which shall continue in accordance with the respective terms of the Security Agreement and the Lease. Such sale, transfer and assignment shall be WITHOUT RECOURSE AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE, except for the express warranties set forth in paragraph 5 of this Agreement.

Norwithstanding delivery of the Notes referred to in paragraph 2 below, the parties hereto acknowledge that this Agreement is wholly executory in character and that prior to the Transfer Date (and full payment of the Purchase Price), ownership of the Exhibit A Equipment (subject to the Liens and the Lease) shall continue in Trustor and Trustee; and Purchaser shall acquire ownership therein only upon fulfilment of all the conditions set forth in paragraph 4 below.

2. Purchase Price. The Purchase Price for the Exhibit A Equipment shall be \$1,125,833, payable as follows:

(a) upon execution hereof cash in the amount of \$41,883;

(b) upon execution hereof, delivery of Purchaser's promissory note in the form of Exhibit B hereto in the principal amount of \$513,450 ("Note 1");

(c) on March 1, 1983, delivery of Purchaser's promissory note in the form of Exhibit B hereto in the principal amount of \$570,500 ("Note 2").

Note 1 and Note 2 are hereafter collectively called "Notes".

All of the foregoing amounts and other amounts referred to in this Agreement are in United States dollars. Purchaser shall pay, in addition, all taxes, fees and assessments (other than state and United States federal income taxes and Canadian provincial and federal income taxes) imposed or otherwise payable by the parties as a result of or in connection with this Agreement.

3. Continuation of Lease. The Lease shall remain in full force and effect until its expiration or earlier termination in accordance with its terms and Trustee shall continue as owner and Lessor of the Exhibit A Equipment during the term of the Lease, and shall continue to be entitled to enforce performance of the Lease and to all rent, damages and other amounts payable by Lessee under the Lease. The beneficial interest of Trustor in the Exhibit A Equipment is subject to the legal interest of Trustee as owner and Lessor of such Equipment during the term of the Lease, all terms and provisions of the Lease, all rights of Lessee thereunder, and all

rights of Lenders under the Security Agreement and the Liens. Purchaser recognizes that the interest in the Exhibit A Equipment which it shall acquire by reason of this Agreement represents interests of Trustor and Trustee in such Equipment after Lessee has satisfied all of its obligations under the Lease.

4. Conditions for Transfer of Title. Upon Lessee's satisfaction of all of its obligations under the Lease and the satisfaction of all Purchaser's obligations under this Agreement, (including payment in full of the Notes), ownership and legal title to the Exhibit A Equipment shall pass to Purchaser, and Trustor and Trustee shall deliver to Purchaser a bill of sale in the form of Exhibit C hereto, and shall take such action, including action to terminate the Trust, as Purchaser may reasonably request for the purposes of transferring to Purchaser ownership of and title to the Exhibit A Equipment; provided, however, that Trustor and Trustee shall not be required to make any representations or warranties other than those in paragraph 5 of this Agreement and provided, further, that Trustor and Trustee may expressly disclaim any other warranties.

5. Representations, Warranties and Covenants of Trustor and Trustees. As an inducement to Purchaser to enter into this Agreement, and to pay valuable consideration to Trustor and Trustee for the rights and interests hereby sold, Trustor and Trustee, each individually for itself or himself, hereby represent, warrant and agree that:

(a) Trustor and Trustee have the right, power and authority to enter into and perform the undertakings provided for in this Agreement and this Agreement has been duly executed and delivered by Trustor and Trustee and constitutes the legal, valid and binding agreement of Trustor and Trustee enforceable in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium laws and other general limitations on remedies from time to time in effect).

(b) The Lease, the Loan Agreements and the indebtedness of the Trust under the Loan Agreements shall continue without change in terms or conditions.

(c) Trustor and Trustee, alone or together, have taken no action to terminate the Trust.

(d) Trustor and Trustee will promptly deposit in the United States mail, postage prepaid and addressed to Purchaser, copies of all notices and other information received by Trustor and Trustee in connection with the Lease, the Loan Agreements or the Security Agreement from and after the date hereof which under the terms of the Lease, Loan Agreements or the Security Agreement are to be given to Trustor and Trustee under the terms of the Trust and other documents executed in connection therewith, and shall mail to

Purchaser, as aforesaid, any and all such other documents described in the Lease, Loan Agreements or the Security Agreement that are in the possession of Trustor and Trustee upon request therefor by Purchaser.

(e) The Trust is the owner of the Exhibit A Equipment, and such Equipment is not subject to any liens or encumbrances thereon, other than the Liens, liens or encumbrances created by Lessee or liens or encumbrances which Lessee is obligated to discharge or satisfy, the rights of Lessee under the Lease, and the rights of Purchaser hereunder.

(f) Upon Lessee's satisfaction of its obligations under the Lease, the Equipment will be free of all liens, claims, security interests and encumbrances in favor of Trustor and Trustee or any person claiming through or under Trustor and Trustee, except for Purchaser's claims pursuant to this Agreement.

(g) To the best knowledge of Trustor and Trustee, no Event of Default as defined in the Lease or an event that with the giving of notice or lapse of time or both would constitute such an Event of Default has occurred and is continuing.

6. Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Trustor and Trustee that:

(a) Purchaser has received the documentation and information referred to in the Recitals to this Agreement.

(b) All necessary consents and approvals with respect to this Agreement and the issuance of the Notes have been obtained.

(c) The Notes and this Agreement have each been duly executed and delivered by Purchaser and constitute the legal, valid and binding obligations of Purchaser enforceable in accordance with their terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium laws and other general limitations on remedies from time to time in effect).

7. Casualty Occurrence. In the event of a Casualty Occurrence, as such term is defined in the Lease, with respect to an Item of Equipment as defined in the Lease, Purchaser shall pay Trustor and Trustee (in addition to all amounts required to be paid by Lessee under Section 11 of the Lease), and at the same time, the applicable Additional Amount shown in Exhibit A hereto. Upon such payment by Purchaser, the principal of each of the Notes shall be reduced by the following respective amounts for each Item of Equipment for which such Casualty settlement was made:

| | <u>Note 1</u> | <u>Note 2</u> |
|------------|---------------|---------------|
| Schedule A | \$3,150 | \$3,500 |

8. Events of Default; Acceleration of the Note. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Purchaser shall fail to pay any installment of principal of either Note when due; or

(b) Any representation or warranty made by Purchaser herein in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) Purchaser shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed and any such failure shall remain unremedied for 30 days after written notice thereof shall have been given to Purchaser by Trustor or Trustee; or

(d) An Event of Default as defined in the Lease shall occur,

then, Trustor, or subsequent holder of the Notes, may, at its option, by notice to Purchaser, elect to cancel this Agreement, Purchaser's right to acquire the Exhibit A Equipment and Purchaser's obligations hereunder, or to enforce this Agreement and declare the Notes to be forthwith due and payable, whereupon the Notes shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Purchaser. In the event the Notes are declared due and payable by Trustor or a subsequent holder, the then unpaid principal amount of the Notes shall be discounted to their respective present values at the rate of 11% per annum.

9. Expenses. Each party hereto shall pay the fees and expenses of its respective counsel and any advisors it has retained; and whether or not the transaction contemplated hereby is completed, no party shall be obligated to pay out-of-pocket or other costs and expenses of the other party.

10. Release of Tax Indemnity. Trustor does hereby release Lessee (which is hereby expressly made a third party beneficiary of this Agreement) from any obligations it may have to indemnify Trustor for income taxes which become payable as a result of the transaction contemplated in this Agreement.

11. Counterparts. This Agreement may be executed in any number of counterparts, but all of such counterparts together shall constitute one and the same agreement.

THIS AGREEMENT has been duly executed and delivered on the day and year first written above.

COMERICA BANK-DETROIT
(formerly DETROIT BANK
AND TRUST COMPANY)

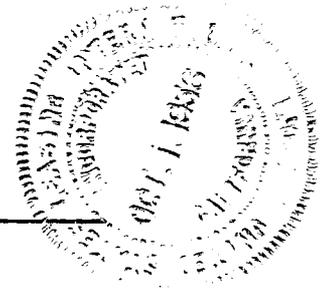
By *Robert N. Olsen*
Robert N. Olsen
Vice President

BANK OF CALIFORNIA, N.A.,
Trustee

By *C. L. Lyons*
TRUST OFFICER

UNITED STATES LEASING
INTERNATIONAL, INC.

By *Peter Mezey*
Peter Mezey
Vice President



CANADIAN NATIONAL RAILWAY
COMPANY

By *William Andrew Korman*
Vice President
By *William Andrew Korman*
Assistant Secretary



Grand Trunk Western Railroad Company, Lessee in the foregoing Agreement, does hereby (a) represent, warrant and agree that no Event of default as defined in the Lease (as defined in said Agreement) or an event that with the giving of notice or lapse of time or both would constitute such an Event of Default has occurred and is continuing, (b) consent to the sale and purchase of the Exhibit A Equipment which is the subject thereof, agrees to all of the terms and conditions thereof, and (c) does hereby, without the execution of any further agreements or documents, agree to release all of its right, title and interest in the Exhibit A Equipment which is the subject of the foregoing Agreement as of the Transfer Date as defined in the foregoing Agreement.

Executed December 23, 1982.

GRAND TRUNK WESTERN
RAILROAD COMPANY

By *P. E. Tatro*
P. E. Tatro
Senior Vice President-Finance

EXHIBITS:

- A (Schedules A - Description of Exhibit A Equipment, including Additional Amount and Serial Numbers
- B - Form of Promissory Notes
- C - Form of Bill of Sale

Acknowledgments

EXHIBIT A
SCHEDULE A

MANUFACTURER: National Steel Car Corporation, Ltd
DESCRIPTION OF EQUIPMENT: 163 50'6" 70-ton cushioned underframe box cars.

MATURITY DATE: APRIL 21, 1985

| <u>ADDITIONAL AMOUNT PER ITEM:</u> | <u>CASUALTY SETTLEMENT DATE</u> |
|------------------------------------|---------------------------------|
| \$3,175 | 4/21/83 |
| 3,482 | 10/21/83 |
| 3,803 | 4/21/84 |
| 4,139 | 10/21/84 |
| 4,489 | 4/21/85 |

SERIAL NUMBERS:

CVC 402826 - 402999, excluding: 402826, 402834, 402856, 402857,
402890, 402903, 402915, 402933,
402937, 402950 and 402990

MMP

PROMISSORY NOTE

(CN)

\$ (U.S.)
without interest

Montreal, Canada

FOR VALUE RECEIVED, CANADIAN NATIONAL RAILWAY COMPANY (CN), promises to pay to COMERICA BANK-DETROIT (Payee), the sum of

Dollars (U.S.), without interest, on April 21, 1985. Said amount shall be payable to Payee in Montreal, Canada by deposit in a bank designated by Payee, or as otherwise directed by any holder hereof, in coin or currency of the United States of America.

This Note is issued under an Agreement executed and delivered on December 23, 1982 (Agreement) to which CN, Payee and certain other persons are parties. The principal of this Note may be reduced upon the events, on the terms and in the manner provided for in the Agreement.

In the event of the occurrence of any Event of Default under the Agreement by CN or failure to pay any amounts when due and payable hereunder, then Payee or any subsequent holder hereof may, at its option, by notice to CN, exercise rights granted under paragraph 8 of the Agreement, including the right to cancel the Agreement and terminate CN's obligations under this Note, or to declare the entire unpaid principal amount of this Note immediately due and payable, discounted as hereafter provided, and CN shall pay interest on such discounted amount at the rate per annum which is 1% above the prime rate charged by the Bank of America in San Francisco, California, until such amount has been paid. Such principal shall be discounted to its present value at the date of notice to CN by the holder hereof at the rate of 11% per annum. CN shall also pay the costs and expenses of Payee, or any holder hereof (including court costs and reasonable attorney's fees) incurred by Payee or any holder hereof to enforce the obligations of CN hereunder or under the Agreement. No course of dealing or delay in accelerating the maturity of this Note as aforesaid or taking any other action with respect to any Event of Default shall affect the right of Payee or the holder hereof to later take such action in respect thereto and no waiver as to any one Event of Default shall affect any rights as to any other Event of Default.

This Note and the rights hereunder may be assigned and transferred to one person, and it shall inure to and be binding upon the successors and assigns of CN and Payee. This Note shall be governed by the laws of Canada and shall for all purposes be construed in accordance with the laws of said Country.

CANADIAN NATIONAL RAILWAY COMPANY

By _____

EXHIBIT B

MAP

BILL OF SALE
(CN)

For valuable consideration, Comerica Bank-Detroit (formerly Detroit Bank and Trust Company) and Bank of California, N.A. solely as Trustee (hereinafter called "Trustee") under a Trust Agreement dated as of February 15, 1970 (G.T.W. Trust No. 4), (all foregoing parties being hereinafter collectively called "Seller") do hereby transfer and assign to CANADIAN NATIONAL RAILWAY COMPANY (hereinafter called "Buyer") all of Seller's right, title and interest in and to the following described personal property:

legal title to which personal property is currently held by Trustee.

Said property is sold as-is, where-is, without any covenant or warranty expressed or implied, of any nature whatsoever except, however, that Seller covenants and warrants that said property is free of all liens and encumbrances created by, through or under Seller, other than liens and encumbrances which the Lessee is obligated to satisfy under a certain lease between Trustee, as lessor, and Grand Trunk Western Railroad Company, as lessee, dated as of February 15, 1970. By acceptance of said property transferred hereunder, Buyer agrees to pay all sales and use taxes payable in connection with this transfer and assignment, and any unpaid property taxes heretofore assessed or levied against said property.

Date: _____

DETROIT BANK AND TRUST COMPANY

By _____

Date: _____

BANK OF CALIORNIA, N. A,
Trustee

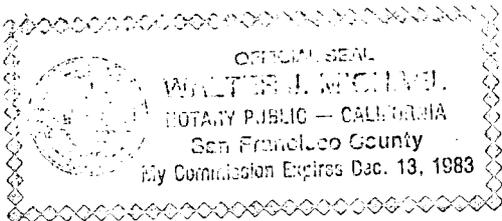
By _____

WHP

CORPORATE FORM OF ACKNOWLEDGMENT

State of California)
) ss:
County of San Francisco)

On this 21st day of December, 1982, before me
Walter J. Michael, a Notary Public in and for said county,
personally appeared Peter Mezey, to me personally known, who
being by me duly sworn, says that he is a Vice President of
United States Leasing International, Inc., 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.



Walter J. Michael
Notary Public

(SEAL)

My commission expires: December 13, 1983

NOTARY FORM OF ACKNOWLEDGMENT

State of Michigan)
) ss
County of Wayne)

On this 22nd day of December, 1982, before me personally appeared Robert N. Olsen, to me personally known, who being by me duly sworn, says that he is the Vice President of COMERICA BANK-DETROIT (formerly DETROIT BANK AND TRUST COMPANY), a Michigan Corporation, that the foregoing 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 a free act and deed of said corporation.



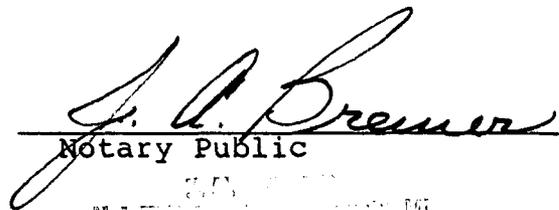
Notary Public
KENNETH J. SCHAD
Notary Public, Oakland County, Mich.
Acting in Wayne County, Mich.
My Commission Expires January 21, 1986



NOTARY FORM OF ACKNOWLEDGMENT

State of Michigan)
) ss
County of Wayne)

On this 23 day of December, 1982, before me personally appeared P. E. Tatro, to me personally known, who being by me duly sworn, says that he is the Sr. Vice President - Finance and Administration of Grand Trunk Western Railroad Company, that the foregoing 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 a free act and deed of said corporation.


Notary Public

Notary Public, State of Michigan
My Commission Expires Dec. 2, 1985



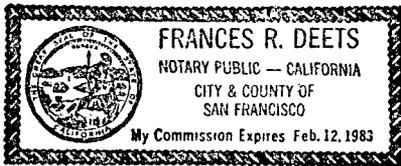
CORPORATE FORM OF ACKNOWLEDGMENT

State of California)
) ss:
County of San Francisco)

On this 21st day of December, 1982, before me FRANCES R. DEETS, a Notary Public in and for said county, personally appeared C. L. Lyons, to me personally known, who being by me duly sworn, says that she is a Trust Officer of Bank of California, N.A., 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.

Frances R. Deets
Notary Public

(SEAL)

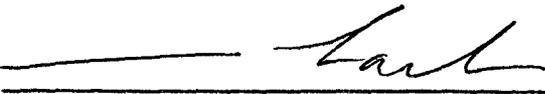


My commission expires: Feb 12, 1983

NOTARY FORM OF ACKNOWLEDGMENT

PROVINCE OF QUEBEC)
) SS
CITY OF MONTREAL)

On this 23rd day of December, 1982, before me personally appeared Paul Foliot, to me personally known, who being by me duly sworn, says that he is the Vice President of Canadian National Railway Company, that the seal affixed to the foregoing 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 a free act and deed of said corporation.



~~Notary Public~~

**G. ERIC URQUHART
COMMISSIONER FOR OATHS
COMMISSAIRE À L'ASSERMENTATION
DISTRICT - MONTREAL**