

14235
RECORDATION NO. _____

DEC 27 1983 - 1 52 PM

INTERSTATE COMMERCE COMMISSION

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ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
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MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D. C. BAR
** ALSO A MEMBER OF OHIO BAR

LAW OFFICES
ALVORD AND ALVORD

200 WORLD CENTER BUILDING
918 SIXTEENTH STREET, N.W.
WASHINGTON, D. C.
20006-2973

December 27, 1983

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2269
FEDERAL TELETYPE
440367 A AND
440338 CDAA UI

RECEIVED
DEC 27 1 59 PM '83
I. C. C. OPERATION BR.

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D. C.

No. 3-361A045
Date DEC 27 1983
Fee \$ 50.00
ICC Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are four (4) copies of an Affidavit of David A. Munn, an associate in the law firm of Faegre & Benson, attorneys for Northwestern National Life Insurance Company, Northern Life Insurance Company and The North Atlantic Life Insurance Company of America together with fully executed Foreclosure Bills of Sale attached (Exhibits B and C), a primary document as that term is defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. §1177.

A general description of the railroad equipment covered by the enclosed document is:

One hundred (100) 100-ton open top hopper cars, Chessie System Design, bearing identifying mark and numbers PVS 1000 through PVS 1099, both inclusive ("PVS Cars").

One hundred (100) 100-ton open top hopper cars, Chessie System Design, bearing identifying mark and numbers UMP 6820 through UMP 6919, both inclusive ("UMP Cars").

The names and addresses of the parties on whose behalf the enclosed document is executed are:

Buyer (PVS Cars): Northwestern National Life Insurance Company
20 Washington Avenue South
Minneapolis, Minnesota 55401

Counterpart - C.T. Kowler

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
December 27, 1983
Page Two

Buyer (UMP Cars): Northwestern National Life
Insurance Company
Northern Life Insurance Company
The North Atlantic Life Insurance
Company of America
20 Washington Avenue South
Minneapolis, Minnesota 55401

The undersigned is agent for the Buyers named above for the purpose of submitting the enclosed document for filing and recordation and has knowledge of the matters contained therein.

Kindly return the stamped copies of the enclosed document not needed for your files to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Also enclosed is a check in the amount of \$50 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

A short summary of the enclosed primary document to appear in the Commission's Index is as follows:

Affidavit executed by attorneys on behalf of Northwestern National Life Insurance Company, Northern Life Insurance Company and The North Atlantic Life Insurance Company of America covering two hundred (200) 100-ton open top hopper cars bearing identifying mark and numbers PVS 1000 through PVS 1099 and UMP 6820 through UMP 6919, each both inclusive.

Very truly yours,


Charles T. Kappler

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

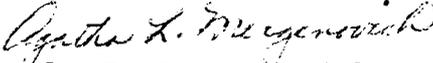
December 27, 1983

Charles T. Kappler, Esq.
Law Offices
Alvord and Alvord
200 World Center Building
918 Sixteenth St. N. W.
Washington, D. C. 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/27/83 at 1:55PM and assigned re-
recording number(s). 14235

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 14235
DEC 27 1983 - 1 22 PM

INTERSTATE COMMERCE COMMISSION

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re) Chapter 11
)
FUNDING SYSTEMS RAILCARS, INC.,) No. 81 B 11964
)
Debtor)

AFFIDAVIT OF DAVID A. MUNN

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

David A. Munn, being first duly sworn, on oath deposes
and says:

1. I am an associate in the law firm of Faegre & Benson,
the attorneys for Northwestern National Life Insurance Company
("NWNL"), Northern Life Insurance Company ("NLI") and The North
Atlantic Life Insurance Company of America ("NAL") in the above
bankruptcy case.

2. NWNL holds a claim against Funding Systems Railcars,
Inc. ("FSR") in the above bankruptcy proceeding, secured by a
security interest in certain railroad cars (the "PVS Cars"), des-
cribed as one hundred 100-ton open top hopper cars, Chessie System
Design, identifying numbers PVS 1000 through PVS 1099, inclusive,
manufactured by The Chessie System under agreement with FSR dated
June 12, 1979.

3. In addition NWNL, NLI and NAL hold a claim against
FSR in the above bankruptcy proceeding, secured by a security
interest in certain railroad cars (the "UMP Cars") described as
one hundred 100-ton open top hopper cars, Chessie System design,
identifying numbers UMP 6820 through UMP 6919, inclusive, manufactured

by the Chessie System under agreement with FSR dated June 12, 1979 (The UMP Cars and the PVS Cars are hereinafter referred to as the "Cars").

4. Pursuant to an Order of the Court dated September 28, 1983, the Cars were sold by and on behalf of NWNL, NLI and NAL at a foreclosure sale as described herein.

5. On or about November 18, 1983, a Notice of Foreclosure Sale was sent by certified mail to nine railcar leasing companies, eighteen railroad companies and five used railcar buyers and sellers. A true and correct copy of the Affidavit of Service by Mail relating to such Notice is attached hereto as Exhibit A.

6. Certified mail receipts indicate that all of the Notices of Foreclosure Sale were received, except those sent to Canadian National Railways and Canadian Pacific Railways.

7. The sale was held at 10:00 a.m., Central Standard Time, on December 13, 1983, at the offices of Faegre & Benson in Minneapolis, Minnesota.

8. No written bids were received at or prior to the time of the sale.

9. Present at the sale, besides the undersigned, were Patrick M. Coleman, Senior Financial Analyst of NWNL, and Hendrik De Jong, a partner in the law firm of Faegre & Benson.

10. The bidding was opened on the PVS Cars as a single lot of 100 cars. Mr. Coleman, on behalf of NWNL, submitted the only bid for the PVS Cars, in the amount of \$1,800,000 for the 100 cars, to be applied in reduction of the indebtedness of FSR to NWNL which is secured by a security interest in the PVS Cars.

NWNL was declared the successful bidder for the PVS Cars.

11. The bidding was opened on the UMP Cars as a single lot of 100 cars. Mr. Coleman, on behalf of NWNL, NLI and NAL, submitted the only bid for the UMP Cars, in the amount of \$1,800,000, to be applied in reduction of the indebtedness of FSR to NWNL, NLI and NAL which is secured by a security interest in the UMP Cars. NWNL, NLI and NAL were declared the successful bidders for the UMP Cars.

12. A Foreclosure Bill of Sale for the PVS Cars and a Foreclosure Bill of Sale for the UMP Cars were executed on behalf of NWNL, NLI and NAL. True copies of such Bills of Sale are attached hereto as Exhibits B and C.

Further affiant says not.



David A. Munn

Subscribed and sworn to
before me this 21st day of
December, 1983.



Notary Public



AFFIDAVIT OF SERVICE BY MAIL

State of Minnesota)
: ss.
County of Hennepin)

Joan Anderson of the City of Minneapolis, County of Hennepin in the State of Minnesota, being duly sworn, says that on the 18th day of November, 1983, she served the annexed NOTICE OF FORECLOSURE SALE on the following companies and individuals by mailing to them copies thereof, by certified mail (except by first-class mail to Lewis S. Rosenbloom only), enclosed in envelopes, postage prepaid, and depositing same in the post office at Minneapolis, Minnesota, directed to said companies and individuals at the following addresses:

See attached list.

Joan Anderson

Subscribed and sworn to before me
this 18th day of November, 1983.

Diane B. Anderson
Notary Public



RAILROAD LESSORS

ACF Industries, Inc.
620 North Second Street
St. Charles, Missouri 63301

Chicago Freight Car Leasing Co.
205 West Touhy Avenue
Park Ridge, Illinois 60068

North American Car Corp.
33 West Monroe Street
Chicago, Illinois 60603

PLM, Inc.
50 California Street
San Francisco, California 94111

CFBX, Inc.
327 South LaSalle Street
Chicago, Illinois 60604

Erman Corp.
2333 Waukegan Road
Bannockburn, Illinois 60015

Pullman Leasing Co.
200 South Michigan Avenue
Chicago, Illinois 60604

Sheldon Lande
Railpool
208 South LaSalle Street
Chicago, Illinois 60604

Thrall Car Mfg. Co.
P.O. Box 218
Chicago Heights, Illinois 60411

ATTENTION: Mr. Chester Wright

RAILROADS

Santa Fe Railroad Company
80 East Jackson Boulevard
Chicago, Illinois 60604

Chessie System
Two North Charles
Baltimore, Maryland 21201

Burlington Northern Railroad
176 East Fifth Street
St. Paul, Minnesota 55101

ATTENTION: Mr. John Tierney
Assistant Vice President-Purchasing

Canadian National Railways
935 De La Gauchetiere Street West
Montreal, Quebec, CANADA H3C-3N4

Canadian Pacific Railways
P.O. Box 6042
Station "A"
Montreal, Quebec, CANADA H3C-3E4

Chicago & Northwestern
Transportation Company
One Northwestern Center
Chicago, Illinois 60606

Elgin, Joliet & Eastern Railway
1141 Maple Road
Joliet, Illinois 60434

Southern Pacific
Transportation Company
One Market Plaza
San Francisco, California 94105

Denver & Rio Grande R.R.
P.O. Box 5482
Denver, Colorado 80217

Florida East Coast Railway Co.
One Malaga Street
St. Augustine, Florida 32084

Grand Trunk Western R.R. Co.
131 West Lafayette
Detroit, Michigan 48226

Illinois Central Railroad
233 North Michigan Avenue
Chicago, Illinois 60601

Seaboard Systems R.R. Co.
Louisville & Nashville R.R. Co.
500 Water Street
Jacksonville, Florida 32202

Missouri, Kansas, Texas R.R. Co.
Katy Building
701 Commerce
Dallas, Texas 75202

Missouri Pacific R.R. Co.
210 North 13th Street
St. Louis, Missouri 63103

Norfolk, Southern Corporation
Virginia National Bank Building
One Commercial Place
Norfolk, Virginia 23514-3609

Chicago, Rock Island
& Pacific R.R. Co.
332 South Michigan Avenue
Chicago, Illinois 60604

Soo Line Railroad Co.
Soo Line Building
Box 530
Minneapolis, Minnesota 55440

USED RAILCAR BUYERS & SELLERS

Berwind Railway Service Co.
Suite 290
5725 North East River Road
Chicago, Illinois 60631

Hyman-Michaels Co.
180 North LaSalle Street
Chicago, Illinois 60602

Marfax Steel & Railway Equipment
P.O. Box 30
Blue Island, Illinois 60406

Purdy Co.
2400 West 95th Street
Evergreen Park, Illinois 60642

Railway & Industrial Services
2201 North Center Street
Joliet, Illinois 60435

OTHERS

Lewis S. Rosenbloom
Nachman, Munitz & Sweig, Ltd.
Suite 2580
115 South LaSalle Street
Chicago, Illinois 60603

FAEGRE & BENSON

2300 MULTIFOODS TOWER
33 SOUTH SIXTH STREET
MINNEAPOLIS, MINNESOTA 55402-3694

612/371-5300
TELEX 425131

2530 GREAT-WEST LIFE TOWER
1675 BROADWAY
DENVER, COLORADO 80202-4625
303/629-5674

BY CERTIFIED MAIL

December 12, 1983

To Whom It May Concern:

Please take note that on Tuesday December 13, 1983, at 10:00 a.m., Central Standard Time, at the offices of Faegre & Benson, 2300 Multifoods Tower, 33 South Sixth Street, Minneapolis, Minnesota 55402, Northwestern National Life Insurance Company ("NWNL") will sell at a public foreclosure sale, as described herein, certain railroad cars (the "Cars") described as follows:

Two hundred (200) 100-ton open-top hopper cars, Chessie System design, identifying numbers UMP 6820 through UMP 6919, inclusive, and PVS 1000 through PVS 1099, inclusive, manufactured by the Chessie System under agreement made with Funding Systems Railcars, Inc., dated June 12, 1979.

This foreclosure sale is being conducted under the authority of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, pursuant to an Order of such Court dated September 28, 1983, in the case entitled In re Funding Systems Railcars, Inc., Case No. 81 B 11964. The Cars are collateral security for certain indebtedness of Funding Systems Railcars, Inc. ("FSR") to NWNL.

The Cars will be sold on an "as-is" and "where is" basis. The Cars are presently under the control of FSR and may be subject to leases or other agreements. This sale is expressly made subject to the rights of any person (other than FSR or its affiliates) as lessee or user of the Cars.

Bids for any of the Cars should identify by identification number the Car or Cars to which such bid relates, and may be made in person or may be submitted by sealed envelope to be opened at the time of sale. Each bid must be accompanied by a cashier's check payable to Northwestern National Life Insurance Company in an amount not less than 20% of the amount bid, together with a letter of credit or other proof satisfactory to NWNL that the balance of the purchase price will be paid on or before December 23, 1983. Bids must be received by the undersigned no later than 10:00 a.m. Central Standard Time on December 13, 1983.

NWNL expressly reserves the right to bid at the sale for any or all of the Cars, and may make payment therefor by credit against the indebtedness of FSR to NWNL.

Payment terms for other bidders shall be as follows:

1. Cash or cashier's check in the full amount of the purchase price, payable at the time of sale; or
2. Cash or cashier's check in the amount of 20% of the purchase price, payable at the time of sale, the balance due in cash on or before December 23, 1983. The 20% cash downpayment shall be nonrefundable in the event the balance of the purchase price is not paid when due.

Upon payment in full of the purchase price, NWNL will execute and deliver to the purchaser a bill of sale in the form of Exhibit A attached hereto (the "Foreclosure Bill of Sale"). Further terms of the sale are set forth in the Foreclosure Bill of Sale, and all sales will be made subject to such terms. Should the successful bidder as to any Cars fail to make payment in full for any Cars purchased, the second-highest bidder shall be given the opportunity to purchase such Cars for cash in the amount of its bid. Should the second-highest bidder be unable to make the payment required to satisfy its bid on or before December 30, 1983, NWNL reserves the right to declare the sale null and void and to conduct another sale.

Further information concerning the Cars may be obtained by contacting Mr. Patrick Coleman at:

Northwestern National Life Insurance Company
20 Washington Avenue South
Minneapolis, Minnesota 55401
Telephone: (612) 372-5394

Bids should be sent to the attention of the undersigned at:

Faegre & Benson
2300 Multifoods Tower
33 South 6th Street
Minneapolis, Minnesota 55402-3694

Very truly yours,

David A. Munn

EXHIBIT A

FORECLOSURE BILL OF SALE

In consideration of a cash purchase price of \$ _____, paid by _____ (the "Buyer") to Northwestern National Life Insurance Company (the "Seller"), the Seller hereby sells to the Buyer the following goods (the "Cars"):

_____ 100-ton open-top hopper cars, Chessie System Design, identifying numbers _____ manufactured by the _____ Chessie System under agreement with Funding Systems Railcars, Inc., dated June 12, 1979,

upon the following terms:

1. Delivery. The Buyer acknowledges that the Seller does not have possession of the Cars, and that the Seller has absolutely no obligation to assemble or deliver the Cars. The Buyer purchases the Cars "where is".

2. Warranty of Title; Limitation of Liability. The Seller warrants that it has good right to sell the Cars, and that except as set forth herein, the Cars are sold free and clear of all liens, security interests and other encumbrances. The Cars are presently under the control of Funding Systems Railcars, Inc. ("FSR"), under a management agreement, and may be leased to lessees and other users. The Buyer purchases the cars subject to any interest of any person (except FSR and its affiliates) presently using or in possession of the Cars, whether as lessee or otherwise. The Seller makes no representations or warranties as to the rights of any such parties. In the event of any breach of the foregoing warranty of title, the sole and exclusive remedy of Buyer shall be, and the liability of the Seller shall be limited to, the discharge of any presently existing lien, security interest or encumbrance (excepting the interest of any lessees or other persons using or in possession of the Cars) or, if the title is entirely defective, the return of the purchase price paid to the Seller by the Buyer for the affected Cars. In no event shall the Seller be liable for incidental or consequential damages, breach of warranty damages, or any other damages of any kind.

3. Exclusion of Certain Warranties. Except as set forth in paragraph 2, THE SELLER MAKES NO AFFIRMATIONS, PROMISES OR WARRANTIES, EXPRESS OR IMPLIED, as to the Cars or title to the Cars or the condition, quality or operating characteristics of the Cars, as to the prior use or ownership of the Cars, or any other matter whatsoever. This sale is made on as AS IS and

WHERE IS basis. The Buyer acknowledges that this is a foreclosure sale, that the Seller is not a dealer in goods of this type, that the Seller does not have, or hold itself out as having, any knowledge or skill peculiar to the practices or goods involved in this transaction, and that the Buyer has determined to purchase the Cars upon the basis of the Buyer's own judgment, relying upon such inspection of the Cars as the Buyer may have seen fit to make prior to the issuance of this Bill of Sale. THE SELLER SPECIFICALLY DISCLAIMS AND EXCLUDES ANY WARRANTY OF MERCHANTABILITY AND ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

4. Sales Taxes. The Buyer will pay all sales, use and other taxes, except net income taxes, due in connection with this sale.

5. Release of Security Interest. The Seller will, upon request of the Buyer, execute a release of the security interest being foreclosed hereby, to clear the records of the Interstate Commerce Commission.

Dated: December __, 1983.

NORTHWESTERN NATIONAL LIFE
INSURANCE COMPANY

By _____
Its _____

ACCEPTED AND AGREED TO
BY THE BUYER:

(Signature of Buyer)

EXHIBIT B

FORECLOSURE BILL OF SALE

In consideration of a purchase price of \$1,800,000, paid by Northwestern National Life Insurance Company (the "Buyer") to Northwestern National Life Insurance Company (the "Seller"), the Seller hereby sells to the Buyer the following goods (the "Cars"):

One Hundred (100)-100-ton open-top hopper cars, Chessie System Design, identifying numbers PVS1000 through PVS1099, inclusive, manufactured by the Chessie System under agreement with Funding Systems Railcars, Inc., dated June 12, 1979,

upon the following terms:

1. Delivery. The Buyer acknowledges that the Seller does not have possession of the Cars, and that the Seller has absolutely no obligation to assemble or deliver the Cars. The Buyer purchases the Cars "where is".

2. Warranty of Title; Limitation of Liability. The Seller warrants that it has good right to sell the Cars, and that except as set forth herein, the Cars are sold free and clear of all liens, security interests and other encumbrances. The Cars are presently under the control of Funding Systems Railcars, Inc. ("FSR"), under a management agreement, and may be leased to lessees and other users. The Buyer purchases the cars subject to any interest of any person (except FSR and its affiliates) presently using or in possession of the Cars, whether as lessee or otherwise. The Seller makes no representations or warranties as to the rights of any such parties. In the event of any breach of the foregoing warranty of title, the sole and exclusive remedy of Buyer shall be, and the liability of the Seller shall be limited to, the discharge of any presently existing lien, security interest or encumbrance (excepting the interest of any lessees or other persons using or in possession of the Cars) or, if the title is entirely defective, the return of the purchase price paid to the Seller by the Buyer for the affected Cars. In no event shall the Seller be liable for incidental or consequential damages, breach of warranty damages, or any other damages of any kind.

3. Exclusion of Certain Warranties. Except as set forth in paragraph 2, THE SELLER MAKES NO AFFIRMATIONS, PROMISES OR WARRANTIES, EXPRESS OR IMPLIED, as to the Cars or title to the Cars or the condition, quality or operating characteristics of the Cars, as to the prior use or ownership of the Cars, or any other matter whatsoever. This sale is made on as AS IS and WHERE IS basis. The Buyer acknowledges that this is a foreclosure sale, that the Seller is not a dealer in goods of this type, that

FORECLOSURE BILL OF SALE

In consideration of a purchase price of \$1,800,000, paid by Northwestern National Life Insurance Company, Northern Life Insurance Company and The North Atlantic Life Insurance Company of America (together referred to as the "Buyers") to Northwestern National Life Insurance Company, Northern Life Insurance Company and The North Atlantic Life Insurance Company of America (together referred to as the "Sellers"), the Sellers hereby sell to the Buyers, as tenants in common, the following goods (the "Cars"):

One Hundred (100)-100-ton open-top hopper cars, Chessie System Design, identifying numbers UMP 6820 through UMP 6919, inclusive, manufactured by the Chessie System under agreement with Funding Systems Railcars, Inc., dated June 12, 1979,

upon the following terms:

1. Delivery. The Buyers acknowledge that the Sellers do not have possession of the Cars, and that the Sellers have absolutely no obligation to assemble or deliver the Cars. The Buyers purchase the Cars "where is".

2. Warranty of Title; Limitation of Liability. The Sellers warrant that they have good right to sell the Cars, and that except as set forth herein, the Cars are sold free and clear of all liens, security interests and other encumbrances. The Cars are presently under the control of Funding Systems Railcars, Inc. ("FSR"), under a management agreement, and may be leased to lessees and other users. The Buyers purchase the cars subject to any interest of any person (except FSR and its affiliates) presently using or in possession of the Cars, whether as lessee or otherwise. The Sellers make no representations or warranties as to the rights of any such parties. In the event of any breach of the foregoing warranty of title, the sole and exclusive remedy of Buyers shall be, and the liability of the Sellers shall be limited to, the discharge of any presently existing lien, security interest or encumbrance (excepting the interest of any lessees or other persons using or in possession of the Cars) or, if the title is entirely defective, the return of the purchase price paid to the Sellers by the Buyers for the affected Cars. In no event shall the Sellers be liable for incidental or consequential damages, breach of warranty damages, or any other damages of any kind.

3. Exclusion of Certain Warranties. Except as set forth in paragraph 2, THE SELLERS MAKE NO AFFIRMATIONS, PROMISES OR WARRANTIES, EXPRESS OR IMPLIED, as to the Cars or title to the Cars or the condition, quality or operating characteristics of

