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New Number - A

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CHARLES T. KAPPLER
JOHN H. DOYLE*
RICHARD N. BAGENSTOS
JAMES C. MARTIN, JR.*

*ALSO ADMITTED IN NEW YORK
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RECORDATION NO 16444
FILED 1425

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FILED 1425

JUL 27 1989 -2 05 PM

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INTERSTATE COMMERCE COMMISSION

July 27, 1989 INTERSTATE COMMERCE COMMISSION

Ms. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed original copies of 1) a Lease of Equipment dated as of February 22, 1989, and 2) a Lease Assignment Agreement #7 dated as of April 10, 1989, primary and secondary documents, respectively, as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor/Assignor: SLX Canada Inc.
1500 Bow Valley Square IV
250 6th Avenue, S.W.
Calgary, Alberta T2P 3H7
CANADA

Lessee: Canadian National Railway Company
935 de La Gauchetiere West
Montreal, Quebec H3B 2M9
CANADA

Assignee: General Electric Railcar Services Canada Ltd.
Suite 1400
801 - 6th Avenue S.W.
Calgary, Alberta T2P 3W3
CANADA

A description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached hereto and made a part hereof.

C. O. Kappler

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
July 27, 1989
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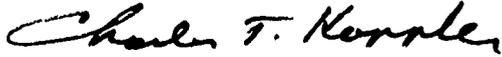
Also enclosed is a check in the amount of \$26 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed documents to appear in the Commission's Index is:

Lease of Equipment #7 dated as of February 22, 1989 between SLX Canada Inc., Lessor, and Canadian National Railway Company, Lessee, and Lease Assignment Agreement dated as of April 10, 1989 between SLX Canada Inc., Assignor, and General Electric Railcar Services Canada Ltd., Assignee, covering ten (10) Model SD60F 3800 H.P. Diesel Electric Locomotives marked and numbered CN 5514 through CN 5523, both inclusive.

Very truly yours,


Charles T. Kappler

CTK/skh

Enclosures

RECORDATION # 16444
FILED 1488

JUL 27 1989 -2 05 PM

INTERSTATE COMMERCE COMMISSION

LEASE ASSIGNMENT AGREEMENT

THIS AGREEMENT made as of the April 10, 1989

BETWEEN:

**SLX Canada Inc., a corporation
incorporated under the laws of Canada
(the "Assignor")**

- and -

**General Electric Railcar Services Canada Ltd.
(the "Assignee").**

WHEREAS:

Assignor has agreed to sell to the Assignee pursuant to an agreement made as of the date hereof (the "Equipment Purchase Agreement") the equipment (the "Equipment") described in Schedule A to the lease of equipment #7 between the Assignor and Canadian National Railway Company ("CN") made as of February 22, 1989, attached hereto as Schedule 1 (the "Lease").

As a condition of entering into the Equipment Purchase Agreement, the Assignee has required an assignment of the Assignor's right, title and interest in and to the Lease and the rentals and other amounts payable thereunder.

WITNESSES that for valuable consideration, the parties agree as follows:

1. **Assignment.** The Assignor hereby absolutely assigns, transfers and sets over unto the Assignee the Lease and all of the Assignor's right, title, benefits, interest and obligations in, to and under the Lease including, without limitation, all present and future rentals and other amounts payable or to become payable under the Lease from and after April 10, 1989, and together with the benefit of all covenants and all waivers, releases, indemnities and other obligations of CN thereunder, and the Assignor hereby agrees that all amounts hereafter received by or on behalf of the Assignor under the Lease shall be held by it in trust for and shall forthwith be paid over to the Assignee without notice or demand. The Assignee hereby assumes all liabilities and obligations of the Assignor under the Lease arising from and after the date hereof excluding the payment of any interim rental adjustment payable to CN on the date hereof and acknowledges that CN may, under the terms of

the Lease, elect to purchase all but not less than all of the Equipment on April 1, 2004. In addition, the Assignor agrees to pay to the Assignee, on the date hereof, the amount of \$362,602.66, representing the portion of the first rental payment not yet earned under the Lease.

2. Assignor's Covenants and Warranties. The Assignor hereby covenants with and warrants to the Assignee that:

- (a) it has full corporate power and authority to enter into this Agreement and has not performed any acts or executed any other instrument which might prevent the Assignor from giving full effect to this Agreement, and the Lease, rentals and other amounts and all right, title and interest of the Assignor therein hereby assigned or intended so to be, are free and clear of all liens, charges, prior assignments or encumbrances of any kind or nature whatsoever, and all approvals, consents or authorizations, if any, necessary with respect hereto and the transactions contemplated herein have been obtained;
- (b) this Agreement has been duly and validly authorized, executed and delivered by the Assignor and is a valid and legally binding agreement of the Assignor enforceable against it in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, and other laws affecting creditors' rights generally and to general principles of equity;
- (c) the copy of the Lease attached hereto as Schedule 1 is a true and complete copy of the Lease, and the Lease has not been modified or cancelled and the Assignor has not given any waiver, consent or other indulgence thereunder, and the Lease remains in full force and effect according to its original terms, and there is no default now existing under the Lease and, to the best of the knowledge of the Assignor, no event has occurred which, with the giving of notice or lapse of time or both, would constitute an Event of Default thereunder;
- (d) the Equipment has not been replaced or substituted for except in accordance with the express terms of the Lease and in such a way as not to diminish in any material respect the aggregate fair market value of the equipment subject to the Lease; and

- (e) there has been no pre-payment of rent or any other amounts payable under the Lease, and the Assignor is not holding any sums as cash security for the performance of any obligations by CN under the Lease.

3. Assignee's Covenants and Warranties. The Assignee hereby covenants with and warrants to the Assignor that:

- (a) it has full corporate power and authority to enter into this Agreement and has not performed any acts or executed any other instrument which might prevent the Assignee from giving full effect to this Agreement, and all approvals, consents or authorizations, if any, necessary with respect hereto and the transactions contemplated herein have been obtained; and
- (b) this Agreement has been duly and validly authorized, executed and delivered by the Assignee and is a valid and legally binding agreement of the Assignee enforceable against it in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency and other laws affecting creditors' rights generally and to general principles of equity.

4. Future Assignments. The Assignee hereby agrees that it shall not assign, transfer or set over the whole or any portion of the Lease and/or its right, title, benefits, interest and obligations thereunder to any third party without first giving the Assignor at least 10 days prior written notice of such assignment, transfer or set over.

5. Notice. Any notice or other communication to a party under the provisions of this Agreement shall be in writing and may be delivered personally or sent by prepaid mail, telex or telecopier to the following mailing, telex or telecopier address, as applicable:

- (1) to the Assignor,

SLX Canada Inc.
1500 Bow Valley Square IV
250 - 6th Avenue S.W.
Calgary, Alberta
T2P 3H7

Attention: President

Telex: 03-825570 (WCBC CGY)
Telecopier: (403) 264-1262

(2) to the Assignee,

General Electric Railcar Services Canada Ltd.
Suite 1400
801 - 6th Avenue S.W.
Calgary, Alberta
T2P 3W3

Attention: President

Telex: 03-827-827
Telecopier: (403) 269-6519

Any such notice or other communication if personally delivered or mailed or telecopied, shall be deemed to have been given when received and, if telexed and the appropriate answerback received, shall be deemed received at the time that the answerback is received. Any party may from time to time notify the other in writing of a change of mailing, telex or telecopier address in the manner set forth herein which thereafter, until changed by like notice, shall be the address of that party for all purposes of this Agreement.

6. **Further Assurances.** The Assignor covenants and agrees that it will at the request of the Assignee at any time or times hereafter do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, consents, powers of attorney, assurances or other documents and take all such other actions as may be reasonably required for the assigning, transferring, granting, conveying, assuring and confirming to the Assignee, or for aiding or assisting in the reducing to possession by the Assignee, any of the rights, interests or assets intended to be hereby transferred, conveyed and assigned.

7. **Time of Essence.** Time shall be of the essence of this Agreement.

8. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario.

9. **Counterparts.** This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have duly executed this Agreement on the day first written above.

SLX CANADA INC.

By: 
Bruce C. Barker
Director c/s

By: 
Paul J.D. Miller
Director

GENERAL ELECTRIC RAILCAR
SERVICES CANADA LTD.

By: 
Name
Position PRESIDENT

By:  c/s
Name
Position VP Mktg & Sales

ACKNOWLEDGEMENT OF CANADIAN NATIONAL RAILWAY COMPANY to the Lease Assignment Agreement made as of April 10, 1989 between SLX Canada Inc. and General Electric Railcar Services Canada Ltd.

TO: GENERAL ELECTRIC RAILCAR SERVICES CANADA LTD.

AND TO: SLX CANADA INC.

Canadian National Railway Company ("CN") hereby acknowledges the terms of the foregoing Lease Assignment Agreement, and that the Equipment is in existence and has been maintained by CN in accordance with its obligations under the Lease, and that no Casualty Occurrence (as defined in the Lease) has occurred with respect to any of the Equipment. CN confirms that to the best of its knowledge the statements set out in sections 2(c), (d) and (e) of the Lease Assignment Agreement are correct as of the date hereof. Until otherwise directed in writing by General Electric Railcar Services Canada Ltd. or its assignee, CN shall make all payments under or in respect of the Lease to the Assignee at:

General Electric Railcar Services Canada Ltd.
Suite 1400
801-6th Avenue S.W.
Calgary, Alberta
T2P 3W3

on or before the due date thereof.

Dated April 10, 1989

CANADIAN NATIONAL RAILWAY COMPANY

Approved
as to form only

Attorney

By: _____

Name

Position

G.C. Church
Treasurer

By: _____

Name

Position