

#26  
16024-G  
16024-H

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

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

\* ALSO ADMITTED IN NEW YORK  
\* ALSO ADMITTED IN OHIO  
\* ALSO ADMITTED IN MARYLAND

LAW OFFICES  
**ALVORD AND ALVORD**

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

(202) 393-2288

RECORDATION NO. 16024-H, H

OF COUNSEL  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEX  
440367 A AND A

TELEFAX  
(202) 393-2156

JAN 25 1989 - 4 20 PM January 25, 1989

**INTERSTATE COMMERCE COMMISSION**

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

No. 9-025A012  
Date JAN 25 1989  
Fee \$ 26.00

ICC Washington D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two copies each (an original and one certified true copy) of 1) a Bill of Sale dated as of December 23, 1988 and 2) a Lease Assignment Agreement dated as of December 23, 1988, secondary documents as defined in 49 C.F.R. Section 1177.1.

The enclosed documents relate to the locomotives (as described below) referred to in the Trust Indenture dated September 15, 1988 and the Lease of Equipment #2 dated as of September 20, 1988, which were duly filed and recorded with the Commission on November 14, 1988 and assigned Recordation Numbers 16024 and 16024-B, respectively.

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

Purchaser/Assignee: Sun Life Assurance Company  
of Canada  
200 University Avenue  
Toronto, Ontario M5H 3C7  
CANADA

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

JAN 25 1989

*C.T. Sawyer*

*C.*

826  
16024 - G  
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ALVORD AND ALVORD

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CANADA

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250 6th Avenue S.W.  
Calgary, Alberta T2P 3H7  
CANADA

REC'D OPERATIONS UNIT

JAN 25 1 23 PM '89

ICC OFFICE OF THE SECRETARY

*C.T. Kowler*

*C. County*

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
January 25, 1989  
Page Two

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

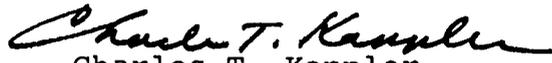
Also enclosed is a check in the amount of \$26 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Kindly return a stamped copy of each 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:

Bill of Sale and Lease Assignment Agreement, each dated December 23, 1988 and each between SLX Canada Inc., Seller/Assignor, and Sun Life Assurance Company of Canada, Purchaser/Assignee, covering three (3) SD-50F, 3600 HP Diesel Electric Locomotives marked CN 5448, CN 5449 and CN 5450.

Very truly yours,

  
Charles T. Kappler

Enclosures

16024-H  
RECORDED BY \_\_\_\_\_

JAN 25 1989 . 1 20 PM

INTERSTATE COMMERCE COMMISSION

LEASE ASSIGNMENT AGREEMENT

THIS AGREEMENT made as of the 23rd day of December,  
1988

BETWEEN

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

- and -

Sun Life Assurance Company of Canada  
(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 #2 between the Assignor and Canadian National Railway Company ("CN") made as of September 20, 1988, 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 agrees 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 September 20, 1988, 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 and acknowledges that CN may, under the

terms of the Lease, elect to purchase all but not less than all of the Equipment on October 1, 2003.

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 assignment and has not performed any acts or executed any other instrument which might prevent the Assignee from giving full effect to this assignment, 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 assignment 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 assignment; the execution and delivery of this assignment have been duly and validly authorized by the Assignee and no other corporate proceedings on the part of the Assignee are necessary to authorize this assignment or the completion of the transaction contemplated hereby; and
- (b) this assignment has been duly and validly 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. 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 Answerback WCBC CGY  
Telecopier: (403) 264-1262

(2) to the Assignee,

Sun Life Assurance Company of Canada  
200 University Avenue  
13th Floor  
Toronto, Ontario  
M5H 3C7

Attention: Director, Private Placement

Telecopier: (416) 595-1770

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.

5. 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.

6. No Assignment. This agreement may not be assigned by either party without the prior written consent of the other and shall enure to the benefit of the parties and be binding upon the parties and their respective successors and permitted assigns.

7. Time of Essence. Time shall be of the essence of this agreement.

8. Entire Agreement. This agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supercedes all prior negotiations, understandings and agreements between the parties.

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

10. **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.

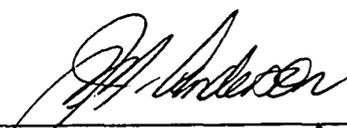
IN WITNESS WHEREOF the parties have duly executed this agreement on the day first written above.

**SLX CANADA INC.**

By:   
Bruce C. Barker  
Director c/s

By:   
Paul J.D. Miller  
Director

**SUN LIFE ASSURANCE COMPANY  
OF CANADA**

By:   
Name James J.M. Anderson  
Position for President

By:   
Name  
Position for Secretary c/s

**ACKNOWLEDGEMENT OF CANADIAN NATIONAL RAILWAY COMPANY  
to the Lease Assignment Agreement made as of December 23, 1988  
between SLX Canada Inc. and Sun Life Assurance Company of  
Canada**

**TO: SUN LIFE ASSURANCE COMPANY OF CANADA**

**AND TO: SLX CANADA INC.**

Canadian National Railway Company ("CN") hereby acknowledges the terms of the foregoing assignment of the Lease, 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 such assignment are correct as of the date hereof. Until otherwise directed in writing by Sun Life Assurance Company of Canada or its assignee, CN shall make all payments under or in respect of the Lease to the Assignee at:

Sun Life Assurance Company of Canada  
P.O. Box 375  
Station A  
Toronto, Ontario  
M5W 1C2

on or before the due date thereof.

Dated December 23, 1988

Approved  
as to form only  
*[Signature]*  
Attorney

**CANADIAN NATIONAL RAILWAY  
COMPANY**

By: *[Signature]*  
Name  
Position **P.J. FOLIOT  
VICEPRÉSIDENT**

By: *[Signature]*  
Name  
Position **H.J.G. Pye  
Vice-President and Secretary**

PROVINCE OF ONTARIO )  
 )  
CITY OF TORONTO )

On this *13<sup>th</sup>* day of January, 1989, before me personally appeared James M.A. Anderson and Sam Steel, to me personally known, who, being by me duly sworn, say that they are the Director, Private Placements, and *Associate General Counsel*, respectively, of Sun Life Assurance Company of Canada, and that they have authority on behalf of the said Company to execute the foregoing instrument on behalf of the President and Secretary, respectively, of the said Company, and that the said instrument was signed on behalf of the said Company by authority of its Board of Directors, and each of them acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



A Notary Public in and for the Province of Ontario

[notarial seal]

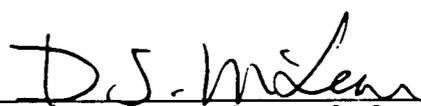
PROVINCE OF ONTARIO

) Lease Assignment Agreement  
) dated December 23, 1988

CITY OF TORONTO

) between SLX Canada Inc. and  
) Sun Life Assurance Company  
) of Canada

On this December 23, 1988, before me personally appeared James M.A. Anderson, to me personally known, who, being by me duly sworn, says that he is an officer of Sun Life Assurance Company of Canada, that one of the seals affixed to the foregoing instrument is the seal of said Company, that said instrument was signed and sealed on behalf of said Company 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 Company.



\_\_\_\_\_  
Notary Public in and for the  
Province of Ontario

(Notarial Seal)

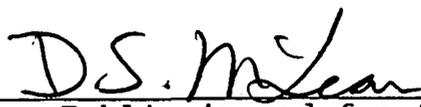
PROVINCE OF ONTARIO

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CITY OF TORONTO

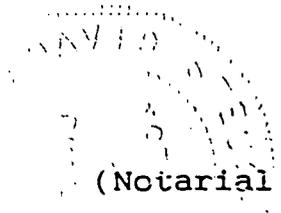
) between SLX Canada Inc. and  
) Sun Life Assurance Company  
) of Canada

On this December 23, 1988, before me personally appeared Bruce C. Barker to me personally known, who, being by me duly sworn, says that he is the Chairman and Secretary of SLX Canada 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 in and for the  
Province of Ontario

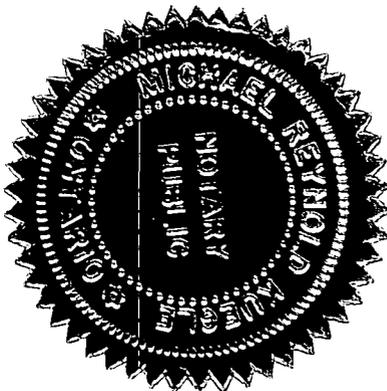
(Notarial Seal)



PROVINCE OF ONTARIO )  
JUDICIAL DISTRICT OF YORK )  
TO WIT: )

I, MICHAEL R. KUEGLE, a Notary Public in and for the Province of Ontario, by Royal Authority duly appointed, residing at the City of Burlington, in the Regional Municipality of Halton, in the said Province, DO CERTIFY that the paper writing hereto annexed is a true copy of a document produced and shown to me and purporting to be a Lease Assignment Agreement made as of December 23, 1988 between SLX Canada Inc. and Sun Life Assurance Company of Canada, the said paper writing having been compared by me with the said original, an act whereof being requested I have granted under my notarial form and seal of office to serve and avail as occasion shall or may require.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my seal of office at the said City of Toronto, in the Municipality of Metropolitan Toronto, this 11th day of January, 1989.



Michael R. Kuegle  
Notary Public in and for the  
Province of Ontario