

**Macdonald & Company**

333 West Wacker Drive, Suite 700

Chicago, Illinois 60606  
(312) 444-2037

December 13, 1990  
File No.: A-13155

0-362A021

Mr. Sidney L. Strickland, Jr.  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

8530 D  
DEC 28 1990 -3 05 PM

INTERSTATE COMMERCE COMMISSION

Re: Conditional Sale Agreement dated as of September 1, 1976 between Gold Bond Stamp Company of Georgia, now known as Carlson Leasing, Inc., and General Motors Corporation (Electro-Motive Division) assigned recordation No. 8530 and Agreement and Assignment dated as of September 1, 1976 between General Motors Corporation (Electro-Motive Division) and American National Bank and Trust Company of Chicago, assigned recordation No. 8530-A, and Lease of Railroad Equipment dated September 1, 1976 between Chicago and North Western Transportation Company and Gold Bond Stamp Company of Georgia, assigned recordation No. 8530-B

Dear Mr. Strickland:

Pursuant to Section 11303 (formerly Section 20c) of the Interstate Commerce Act, enclosed for recordation in relation to the above-referenced agreements are counterparts of Lease Extension and Equipment Option Agreement dated as of December 13, 1990.

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

1. Carlson Leasing, Inc., Carlson Parkway, P. O. Box 59159, Minneapolis, MN 55459-8215.
2. Chicago and North Western Transportation Company, One North Western Center, Chicago, Illinois 60606.

Enclosed is our check for \$15.00 to cover your recording fee. Please assign a sequential recordation number, retain one counterpart for your files, and return the remaining counterparts each showing recordation data to me.

Sincerely,



Enclosures

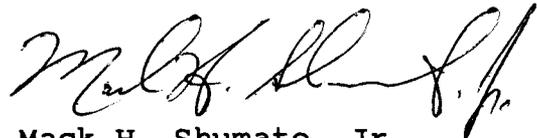
cc: L. M. Fanelli - C&NW

csp26-1 (84)

Carlson Leasing, Inc.  
December 13, 1990  
Page 2

2. The Optionee has full power and authority to execute, deliver and perform its obligations under the Agreement, and has duly authorized, executed and delivered the Agreement.
3. The Optionee has the corporate power and authority to execute, deliver and perform the Agreement and that the execution, delivery and performance of the Agreement by the Optionee does not violate its charter or bylaws; and fully complies with all laws and governmental rules and regulations (federal, state or otherwise) that may be applicable to it and that the Agreement constitutes a valid, legal and binding obligation of the Optionee enforceable against the Optionee in accordance with its terms subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, and to equitable principles of general applicability.

Very truly yours,



Mack H. Shumate, Jr.  
General Attorney

Interstate Commerce Commission  
Washington, D.C. 20423

1/15/91

OFFICE OF THE SECRETARY

Macdonald & Company  
333 West Wacker Drive, Suite 700  
Chicago, Illinois 60606

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 12/23/90 at 3:05pm, and assigned recordation number(s). 8530-D

Sincerely yours,

*Sidney L. Strickland, Jr.*  
Sidney L. Strickland, Jr.  
Secretary

*The first time you said in business  
Please staple them, and use your name  
the signing it. Thank you.*

*Mrs Lee  
Graham*

*lit*

REGISTRATION NO. 8530-2 FILED 1990

DEC 28 1990 - 3 05 PM  
INTERSTATE COMMERCE COMMISSION

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CLOSING DOCUMENTS

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RE:

LEASE EXTENSION AND  
EQUIPMENT OPTION AGREEMENT

BETWEEN

CARLSON LEASING, INC.

OPTIONOR

AND

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

OPTIONEE

December 13, 1990

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Exhibit A	Equipment Schedule
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Exhibit C	Casualty Values

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LEASE EXTENSION AND  
EQUIPMENT OPTION AGREEMENT

BETWEEN

CARLSON LEASING, INC.

OPTIONOR

AND

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

OPTIONEE

= = = = =

(f) "Option Agreement Closing" shall mean the closing in which the grant of the Option in Section 2.01 shall become effective as provided in Section 2.04;

(g) "Option Period" shall mean the period beginning on January 1, 1996 and ending on July 1, 1996.

(h) "Purchase Price" shall equal \_\_\_\_\_ for each Unit of Equipment to be sold pursuant to Section 4.01; and

(i) "Unit of Equipment" shall mean each 3,000 hp. diesel-electric locomotive described in Exhibit A.

## ARTICLE II

Section 2.01. Renewal of Lease. Optionor and Optionee hereby agree to extend the term of the Lease (excluding Section 13 thereof) for a five-year term commencing on January 1, 1992 (the "Lease Extension"). Optionee agrees to pay to Optionor, as rental for each Unit of Equipment subject to the Lease, 20 consecutive quarterly payments, payable on January 1, April 1, July 1 and October 1 in each year commencing January 1, 1992. Accordingly, on January 1, 1992, Optionor shall pay to Optionee both the last payment due under the Lease and the first payment due under this Lease Extension. The rental payment payable on each date for all Units of Equipment shall be in an amount equal to \_\_\_\_\_. This amount shall be considered Fair Market Rental for purposes of Section 13 of the Lease. This Lease Extension shall be in lieu of all other rights Optionor has under Section 13 of the Lease and all of such rights under said Section 13 of the Lease are hereby terminated. Except as provided for in this Section 2.01, and otherwise in this Agreement all terms of the Lease are hereby incorporated by reference, except for Section 13.

(a) Optionor and Optionee hereby agree that during the Lease Extension the Casualty Value of each Unit of Equipment as of the payment date on which payment is to be made pursuant to Section 7 of the Lease shall be as set forth in Exhibit C hereto.

Section 2.02. Grant of Option. Optionor hereby grants, bargains and sells to Optionee, upon the terms and conditions set forth in this Agreement, an irrevocable option to purchase all, but not less than all, of the Equipment for an amount equal to the Purchase Price.

Section 2.03. Manner of Exercise of Option. Optionee shall have the right to exercise the Option by giving written notice of its election to exercise the Option (the "Option Notice") in the manner herein provided, at any time during the Option Period. The Option Notice shall be given in writing by telex or other similar written form of electronic transmission or by first-class mail postage prepaid and addressed to Optionor at the address set forth above in the first paragraph of this Agreement, or addressed to Optionor at such address as Optionor shall hereafter furnish to Optionee in writing, and any such notice shall be conclusively deemed to be received when so delivered, transmitted or mailed.

If Optionee shall elect to exercise the Option as aforesaid, then the closing of the sale of the Equipment (the "Equipment Closing") shall occur on the Equipment Closing Date.

Section 2.04. Failure to Exercise Option; Lapse of Option; Failure to Close. Optionor and Optionee agree that time shall be of the essence with respect to the exercise of the Option. If Optionee shall fail to exercise the Option during the Option Period in the manner set forth in Section 2.03 or shall fail to complete the Equipment Closing in accordance with the provisions of Article IV, the Option shall automatically terminate and be of no further force and effect. If the Option shall so terminate, Optionee, at the request of Optionor, shall execute a release of the Option, provided that no such release shall be required to effectuate the terms of this Section 2.04. Notwithstanding the foregoing, the Lease Extension shall continue for the remainder of the renewal term. If the Option shall so terminate, Optionee shall deliver the Equipment to Optionor at the end of the Lease Extension in accordance with the terms of the Lease.

Section 2.05. Conditions for Closing This Agreement. The renewal of the Lease in Section 2.01 and the grant of the Option in Section 2.02 shall become effective upon (i) the execution of this Agreement by Optionee and Optionor and (ii) the receipt by the respective parties of the opinions referred to in Sections 5.01 and 5.02, respectively.

### ARTICLE III

Section 3.01. Optionor's Duty. (a) Optionor shall not incur any liens on any Unit of Equipment other than as contemplated in the Lease.

(b) Optionor covenants that it has not taken any action which would cause a lien to attach on any Unit of Equipment other than liens contemplated in the Lease, and liens which Optionee has the duty to discharge under the Lease.

(c) Optionor further covenants that it will possess on the Equipment Closing Date, all right, title and interest to the Equipment free and clear of all liens, security interests and other encumbrances, other than mechanic's liens, workmen's liens, other liens of similar nature and all other such liens which are the responsibility of Optionee in its capacity as Lessee under the Lease.

#### ARTICLE IV

Section 4.01. Sale and Purchase. If the Option is exercised by Optionee in accordance with the provisions of Article II and no Event of Default arising from Optionee's obligation to make payments under Section 10(A) of the Lease shall have occurred and be continuing as of the Equipment Closing Date, then, on the Equipment Closing Date, Optionor shall sell to Optionee, and Optionee shall purchase from Optionor, in accordance with the provisions of this Article IV, all, but not less than all, of the Equipment (other than Units of Equipment which have suffered a Casualty Occurrence under Section 7 of the Lease) for aggregate consideration equal to the Purchase Price, provided that the failure of Optionor to supply any document or take any action required under this Article IV shall not relieve Optionor of its obligation to sell the Equipment to Optionee.

Section 4.02. Purchase Price. If the Option is exercised as provided in Section 4.01, the Purchase Price shall be paid in cash as provided for in Section 4.06.

Section 4.03. CONDITION OF THE EQUIPMENT. OPTIONEE REPRESENTS THAT IT HAS INSPECTED THE EQUIPMENT AND AGREES, AFTER EXERCISE OF THE OPTION AT THE EQUIPMENT CLOSING, TO PURCHASE THE SAME ON AN "AS IS, WHERE IS" BASIS, AND AGREES THAT OPTIONOR HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES AS TO THE PHYSICAL CONDITION OR ANY OTHER MATTER AFFECTING OR RELATING TO THE EQUIPMENT EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. IN FURTHERANCE THEREOF, OPTIONOR MAKES NO, AND SHALL NOT MAKE ANY, EXPRESS OR IMPLIED WARRANTY WHATSOEVER OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE REGARDING THE EQUIPMENT.

Section 4.04. Title to the Equipment. If the Option is exercised, then, upon satisfaction of the conditions set forth in this Article IV including payment in full of the Purchase Price pursuant to Paragraph 4.02 hereof, title to the Equipment shall be conveyed to Optionee as follows:

(a) Optionor shall execute and deliver (or shall cause to be executed and delivered) to Optionee, or to Optionee's assignee, nominee or successor, as the case may be, one or more bills of sale in recordable form, substantially in the form of Exhibit B hereto, transferring to Optionee, or to Optionee's assignee, nominee or successor, all right, title and interest of Optionor to the Equipment to be sold pursuant to Section 4.01; and

(b) Such bill or bills of sale shall transfer to Optionee or to Optionee's assignee, nominee or successor, as the case may be, title to such Equipment free and clear of all liens, security interests and other encumbrances, other than mechanic's liens, workmen's liens, other liens of similar nature and all other such liens which are the responsibility of the Optionee in its capacity as Lessee under the Lease.

(c) Optionor shall execute and deliver (or shall cause to be executed and delivered) to Optionee or Optionee's assignee, nominee or successor, as the case may be, a release in recordable form cancelling, discharging and releasing the Equipment from lien or liens of the Lease other than mechanic's liens, workmen's liens, other liens of similar nature and all other such liens which are the responsibility of the Optionee in its capacity as Lessee under the Lease. Any such releases that are required from parties other than Optionor shall be delivered to Optionee as soon as is practicable.

Section 4.05. Time and Place of Closing. The Equipment Closing shall take place on the Equipment Closing Date or on such other date at such time and at such place as shall be mutually agreed upon by Optionor and Optionee.

Section 4.06. Closing Deliveries; Expenses. (a) Optionor shall execute and deliver on the Equipment Closing Date the following documents (unless Optionee has waived in writing the execution and delivery of any of the following documents):

(i) A certificate by a duly authorized representative of Optionor that all necessary corporate action has been taken to authorize Optionor's completion of the transactions contemplated under this Agreement;

(ii) The bill or bills of sale referred to in Section 4.04; and

(iii) An opinion of in-house counsel, in form and substance reasonably satisfactory to Optionee, to the effect that

(x) Optionor has full power and authority to execute and deliver the bill or bills of sale referred to in Section 4.04 of this Agreement;

(y) Optionor has duly authorized, executed and delivered such bill or bills of sale; and

(z) Such bill or bills of sale shall constitute valid and binding obligations of Optionor enforceable against Optionor in accordance with its or their respective terms subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' right generally.

(b) Optionee shall on the Equipment Closing Date cause to be performed the following:

(i) Optionee shall pay the Purchase Price by federal wire transfer of immediately available good funds;

(ii) Optionee shall deliver an opinion of in-house counsel, in form and substance reasonably satisfactory to Optionor, to the effect that:

(x) Optionee has full power and authority and is duly authorized to purchase the Equipment and deliver the Purchase Price therefor;

(y) No consent, approval or authorization of any governmental authority is required in order to complete the purchase of the Equipment by Optionee.

(c) (i) Optionor shall pay any and all present or future Taxes (as defined in Section 4.06(c)(iii) of this Agreement) resulting from the sale of the Equipment to Optionee which are on, based on, or measured by, the net

income of Optionor or imposed in lieu of net income taxes as well as any interest, fines and penalties imposed with respect to such Taxes as Optionor is obliged to pay under this Agreement to the extent that such interest, fines and penalties are due to Optionor's failure to promptly pay such taxes as required hereby.

(ii) Optionee shall pay any and all present or future Taxes (as defined in Section 4.06(c)(iii) of this Agreement) resulting from the sale of the Equipment to Optionee which are not on, based on, or measured by the net income of Optionor or imposed in lieu of net income taxes as well as any interest, fines and penalties imposed with respect to such Taxes as Optionee is obliged to pay under this Agreement to the extent that such interest, fines and penalties are due to Optionee's failure to promptly pay such Taxes as required hereby.

(iii) The term "Taxes" as used in this Agreement shall include without limitation, corporation, sales and income taxes, and shall further include all taxes, assessments, imposts, duties, license and registration fees and any other governmental charges imposed by any federal, state, or local government or taxing authority in the United States of America or any foreign jurisdiction.

#### ARTICLE V

Section 5.01. Agreement Authorized by Optionee.  
As of the Agreement Date, Optionee represents and warrants to Optionor as follows:

(a) Optionee is duly incorporated and validly existing in good standing under the laws of Delaware; and

(b) Optionee has full power and authority to execute, deliver and perform its obligations under this Agreement, and has duly authorized, executed and delivered this Agreement.

Optionee shall deliver to Optionor an opinion of in-house counsel to such effect and further to the effect that Optionee has the corporate power and authority to execute, deliver and perform this Agreement, and that the execution, delivery and performance of this Agreement by Optionee do not violate its charter or bylaws and fully comply with all laws and governmental rules and regulations (federal, state, or otherwise) that may be applicable to it, and that this Agreement constitutes a valid, legal and bind-

ing obligation of Optionee enforceable against Optionee in accordance with its terms subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, and to equitable principles of general applicability.

Section 5.02. Agreement Authorized by Optionor.  
As of the Agreement Date, Optionor represents and warrants to Optionee as follows:

(a) Optionor is duly incorporated and validly existing in good standing under the laws of the State of Minnesota; and

(b) Optionor has full power and authority to execute, deliver and perform its obligations under this Agreement, and has duly authorized, executed and delivered this Agreement.

Optionor shall deliver to Optionee an opinion of Optionor's in-house counsel to such effect and further to the effect that Optionor has the corporate power and authority to execute, deliver and perform this Agreement and that the execution, delivery and performance of this Agreement by Optionor do not violate its charter or bylaws and fully comply with all laws and governmental rules and regulations (federal, state, or otherwise) that may be applicable to it, and that this Agreement constitutes a valid, legal and binding obligation of Optionor enforceable against Optionor in accordance with its terms subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, and to equitable principles of general applicability.

Section 5.03. Brokerage. Optionor and Optionee represent each to the other that each has not dealt with any broker or finder in connection with the transaction contemplated under this Agreement other than Macdonald & Company and Railroad Technology Corporation. Optionor and Optionee shall each indemnify and hold the other harmless from and against any loss, claim, liability and expense (including, without being limited to, reasonable attorneys' fees) incurred by, imposed upon or payable by the indemnified party in connection with claims of any brokers or persons for commissions or finders fees upon or in connection with said sale where such claims arise from the communications or actions of the indemnifying party. The provisions of this Section 5.03 shall survive the Equipment Closing or earlier termination of this Agreement.

Section 5.04. Notices. Except as provided in Section 2.03, any notices or other communications required or permitted hereby shall be given in writing by telex or other similar written form of electronic transmission or mailed first class postage prepaid to Optionor or Optionee, as applicable, at the appropriate address set forth above in the first paragraph of this Agreement or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing and such notice shall be conclusively deemed to be received when so delivered, transmitted or mailed.

Section 5.05. No Effect on Lease. Except as otherwise provided herein, the Lease (including any right of first refusal contained therein) shall remain in full force and effect, unamended and unmodified.

Section 5.06. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of Illinois.

Section 5.07. Entire Agreement. This Agreement, Exhibits A and B hereto, and all documents and agreements to be delivered pursuant hereto, constitute the entire agreement between the parties with respect to the renewal of the Lease and the purchase and sale of the Equipment pursuant to a fixed price purchase option and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof; provided, however, that this Agreement shall not affect any existing purchase options contained in the Lease. Each of this Agreement, Exhibits A and B hereto may not be amended or modified or canceled except pursuant to the terms hereof or thereof or an instrument in writing signed by the parties hereto or thereto.

Section 5.08. Further Assurances. In addition to the obligations required to be performed hereunder by the parties at the Equipment Closing or the Option Agreement Closing, the parties agree from time to time after the Equipment Closing or the Option Agreement Closing to perform such other acts, and to execute, acknowledge and deliver such other instruments, documents and other materials as either party may reasonably request in order to effectuate the consummation of the transactions contemplated hereunder.

Section 5.09. Table of Contents. The Table of Contents and Section headings in this Agreement are used in this Agreement only for convenience and shall not be used in

construing this Agreement nor to limit or affect any of the provisions of this Agreement.

Section 5.10. Assignment. (a) Optionee may assign its rights or delegate its obligations (such delegation not to relieve Optionee of obligations retained pursuant to the last sentence of this Section 5.10(a)) hereunder without the prior written consent of Optionor; provided, however, that Optionee shall give Optionor notice of any assignment hereunder. No assignment or delegation hereof, without the consent of Optionor, shall relieve or in any way release or discharge Optionee from any of its obligations hereunder.

(b) Optionor may assign its rights or delegate its obligations (such delegation not to relieve Optionor of obligations retained pursuant to the last sentence of this Section 5.10(b)) hereunder without the prior written consent of Optionee; provided, however, that Optionor shall give Optionee notice of any assignment hereunder and provided further that Optionor shall not delegate its obligations hereunder to a party to whom it does not also sell a correlative portion of the Equipment. No assignment or delegation hereof, without the consent of Optionee, shall relieve or in any way release or discharge Optionor from any of its obligations hereunder.

Section 5.11. Successors and Assigns. This Agreement enures to the benefit of Optionor and Optionee, their respective successors, administrators and assigns, and is binding upon Optionor and Optionee and their respective administrators, successors and assigns. Every reference in any provision hereof to Optionor extends to and includes the successors, administrators and assigns of Optionor and every reference herein, to Optionee, extends to and includes the administrators, successors and assigns of Optionee, in either case to the same extent and effect as if such administrators, successors or assigns, as the case may be, were specifically named in such provision.

Section 5.12. Counterparts. This Agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute and be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first written above.

OPTIONOR:

CARLSON LEASING, INC.

BY: *J. M. D. [Signature]*  
Title: Vice President-Treasurer

[Corporate Seal]

Attest:

*[Signature]*  
Title:

OPTIONEE:

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY

BY: \_\_\_\_\_

[Corporate Seal]

Attest:

\_\_\_\_\_  
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first written above.

OPTIONOR:

CARLSON LEASING, INC.

BY: \_\_\_\_\_  
Title:

[Corporate Seal]

Attest:

\_\_\_\_\_  
Title:

OPTIONEE:

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY

BY: John E. Volzeth

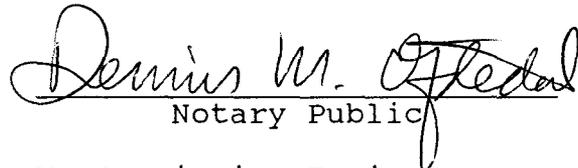
[Corporate Seal]

Attest:

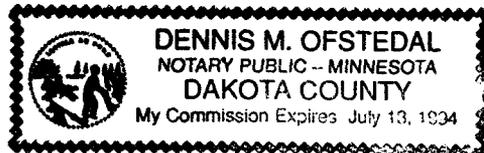
Lisa M. Fanelli  
Title:

STATE OF Minnesota     )  
                                  )   ss.:  
COUNTY OF Hennepin    )

On this 13th day of December, 1990, before me, personally appeared John M. Diracles, Jr., who being by me duly sworn, did say that he is a V. P.-Treasurer of CARLSON LEASING, INC.; that he knows the seal of said corporation; that the seal affixed to the foregoing instrument is the seal of said corporation; and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said V.P.-Treasurer acknowledged said instrument to be the free act and deed of said corporation.

  
Notary Public

My Commission Expires:



STATE OF ILLINOIS     )  
                              )    ss.:  
COUNTY OF COOK        )

On this 13th day of December, 1990, before me, personally appeared John E. Voldseth, who being by me duly sworn, did say that he is a Vice President of CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY; that he knows the seal of said corporation; that the seal affixed to the foregoing instrument is the seal of said corporation; and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said John E. Voldseth acknowledged said instrument to be the free act and deed of said corporation.

Virginia S. Collins  
Notary Public



My Commission Expires:

6/5/91

Equipment Schedule

<u>TYPE</u>	<u>QUANTITY</u>	<u>ROAD NUMBERS</u>
SD40-2 3,000 hp. diesel-electric locomotive	10	CNW 6926-35

BILL OF SALE

Carlson Leasing, Inc. (hereinafter called the "Seller") for valuable consideration paid by Chicago and North Western Transportation Company, (hereinafter called the "Purchaser") at or before the execution and delivery of these presents, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and set over unto the Purchaser, its successors and assigns, its right, title and interest in the property described in Schedule A attached hereto.

TO HAVE AND TO HOLD the above described property unto the Purchaser, its successors and assigns, for its and their own use and behoof, forever.

And the Seller hereby warrants unto the Purchaser, its successors and assigns that, as of the date hereof, the Seller has title to the aforesaid property and good and lawful right to dispose of said property, and the Seller, for itself, its successors and assigns, covenants that it will warrant and defend such title against all claims and demands whatsoever.

The Seller further warrants that the aforesaid property is free and clear of all claims, liens, charges, equities, mortgages, security interests and other encumbrances by or in favor of any person claiming by, through, or under the Seller other than mechanic's liens, workmen's liens, other liens of similar nature and all other such liens which are the responsibility of the Purchaser in its capacity as Lessee under the Lease as defined in the Option Agreement referred to below and as more expressly set forth in the Option Agreement.

THE AFORESAID PROPERTY IS BEING SOLD HEREIN ON AN "AS IS, WHERE IS" BASIS AND "WITH ALL FAULTS." EXCEPT AS SET FORTH HEREIN, THE SELLER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND EXPRESSLY DISCLAIMS LIABILITY FOR LOST PROFIT OR FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR COMMERCIAL LOSSES AND ALL OTHER OBLIGATIONS OR LIABILITIES.

Such grant, bargain, sale, transfer and set over, as set forth hereinabove is pursuant to, in accordance with, and subject to the provisions, terms and conditions of that certain Equipment Option Agreement dated as of December 13, 1990, ("Option Agreement") by and between Seller and the Purchaser, and the provisions, terms and conditions, including the representations and warranties made therein, of such Option Agreement are by this reference hereby incorporated herein and made a part of this Bill of Sale.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed in its name by a duly authorized representative on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Carlson Leasing, Inc.

\_\_\_\_\_  
Title

Casualty Values

	<u>Casualty Payment Date</u>	<u>Casualty Payment</u>
1	April 1, 1992	
2	July 1, 1992	
3	October 1, 1992	
4	January 1, 1993	
5	April 1, 1993	
6	July 1, 1993	
7	October 1, 1993	
8	January 1, 1994	
9	April 1, 1994	
10	July 1, 1994	
11	October 1, 1994	
12	January 1, 1995	
13	April 1, 1995	
14	July 1, 1995	
15	October 1, 1995	
16	January 1, 1996	
17	April 1, 1996	
18	July 1, 1996	
19	October 1, 1996	
20	January 1, 1997	

Chicago and NorthWestern  
Transportation Company



---

One NorthWestern Center  
Chicago, Illinois 60606

Law Department  
Direct Dial Number  
**(312) 559-6067**

---

December 13, 1990

Carlson Leasing, Inc.  
Carlson Parkway  
P.O. Box 59159  
Minneapolis, MN 55459-8215

Gentlemen:

I am counsel to Chicago and North Western Transportation Company, a Delaware corporation ("Optionee"), and in such capacity have been asked to render an opinion in connection with the transaction pursuant to which the Optionee and Carlson Leasing, Inc., a Minnesota corporation ("Optionor"), desire to extend the term of the Lease of Railroad Equipment between the parties or their respective predecessors in interest dated September 1, 1976 (the "Lease") for an additional five year period and to extend to Optionee an option to acquire all, but not less than all, of the Equipment presently being leased to Optionee by the Optionor under the Lease.

Unless otherwise defined herein, terms which are defined in the Lease Extension and Equipment Option Agreement (the "Agreement") shall have the same meaning when used herein.

I have reviewed the Articles or Certificate of Incorporation and By-Laws of the Optionee, the Agreement, the Lease and such other documents, records and proceedings as we have deemed relevant or material, and have conducted such other investigation, as deemed necessary, in order to render the opinions set forth below.

Based upon the foregoing, and having regard for such legal considerations as I have deemed relevant, I am of the opinion that:

1. The Optionee is duly incorporated and validly existing in good standing under the laws of the State of Delaware.

December 13, 1990

Chicago and North Western Transportation Companies  
165 North Canal Street  
One North Western Center  
Chicago, IL 60606

Gentlemen:

I am counsel to Carlson Leasing, Inc., a Minnesota corporation ("Company") and in such capacity have been asked to render an opinion in connection with the transaction pursuant to which the Company and Chicago and North Western Transportation Companies ("Optionee") desire to extend the term of the Lease of Railroad Equipment between the parties dated September 1, 1976 (the "Lease") for an additional five year period and to extend to Optionee an option to acquire all, but not less than all, of the Equipment presently being leased to Optionee by the Company under the Lease.

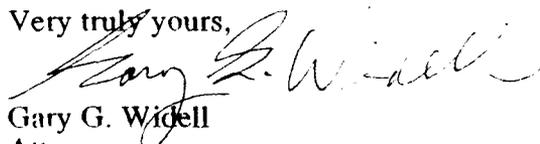
Unless otherwise defined herein, terms which are defined in the Lease Extension and Equipment Option Agreement (the "Agreement") shall have the same meaning when used herein.

I have reviewed the Articles or Certificate of Incorporation and By-Laws of the Company, the Agreement, the Lease and such other documents, records and proceedings as we have deemed relevant or material, and have conducted such other investigation, as deemed necessary, in order to render the opinions set forth below.

Based upon the foregoing, and having regard for such legal considerations as I have deemed relevant, I am of the opinion that:

1. The Company is duly incorporated and validly existing in good standing under the laws of the State of Minnesota.
2. The Company has full power and authority to execute, deliver and perform its obligations under the Agreement, and has duly authorized, executed and delivered the Agreement.
3. The Company has the corporate power and authority to execute, deliver and perform the Agreement and that the execution, delivery and performance of the Agreement by the Company do not violate its charter or bylaws, and that the Agreement constitutes a valid, legal and binding obligation of the Company enforceable against the Company in accordance with its terms subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, and to equitable principles of general applicability.

Very truly yours,

  
Gary G. Widell  
Attorney  
612/540-8047  
FAX 612/591-7043

GGW/mer/2593

**CARLSON COMPANIES**  
PRIVATE COMPANIES WITH A PUBLIC CONSCIENCE