

LAW OFFICES OF
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

SIDNEY T. MILLER (1864-1940)
GEORGE L. CANFIELD (1866-1928)
LEWIS H. PADDOCK (1866-1935)
FERRIS D. STONE (1882-1946)

A PROFESSIONAL LIMITED LIABILITY COMPANY
1400 NORTH WOODWARD AVENUE, SUITE 100
BLOOMFIELD HILLS, MICHIGAN 48304

ANN ARBOR, MICHIGAN
BLOOMFIELD HILLS, MICHIGAN
DETROIT, MICHIGAN
GRAND RAPIDS, MICHIGAN
KALAMAZOO, MICHIGAN
LANSING, MICHIGAN
MONROE, MICHIGAN

NEW YORK, N.Y.
WASHINGTON, D.C.

AFFILIATED OFFICES:
PENSACOLA, FLORIDA
ST. PETERSBURG, FLORIDA
GDAŃSK, POLAND
KATOWICE, POLAND
WARSAW, POLAND

RECORDATION NO. 21050 FILED

TELEPHONE (248) 645-5000
INTERNET <http://www.millercanfield.com>
FAX (248) 258-3036

DEC 10 '97 3-45 PM

BRAD B. ARBUCKLE
(248) 258-3050

December 4, 1997

VIA HAND DELIVERY

RECORDATION NO. 16749-D & E FILED

DEC 10 '97 3-45 PM

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, D.C. 20423-0001

Re: Recordation Pursuant to 49 U.S.C. §11301

Dear Mr. Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11301, please find one (1) original and one (1) certified copy of each of the documents that follow:

- 21050 → (1) a Bill of Sale dated December 1, 1997, a primary document as defined in the Surface Transportation Board's (the "Board") regulations governing the Recordation of Documents, 49 C.F.R. §1177.1(a); and
- 16749E →
- 16749D → (2) a Partial Termination and Release of Security Interest dated November 19, 1997, also a primary document under the Board's regulations.

We request (a) that the Bill of Sale and the Partial Termination and Release of Security Interest be cross-indexed with Recordation No. 16749, in which a security interest regarding the property that is the subject of this filing was recorded on January 31, 1990 in favor of NBD Bank, formerly known as National Bank of Detroit, a national banking association, and (b) that you list these documents in your index under the name of each of the involved parties.

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

David M. Slover and Loftus, Paralegal

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SURFACE TRANSPORTATION
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MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

The Hon. Vernon A. Williams

-2-

December 4, 1997

(1) Bill of Sale

Vendors: Detroit & Mackinac Railway Company
D.M. Central Transportation
Company Inc.
Mackinac Land and Cattle Company
Straits Wood Treating Company
Bay Development Company
Bay Services Company

Purchaser: Central Michigan Railway Company

(2) Partial Termination and Release of Security Interest

Secured Party: NBD Bank (formerly known as
National Bank of Detroit)
611 Woodward Avenue
Detroit, MI 48226

Debtors: Central Michigan Railway Company
Detroit and Mackinac Railway Company
D.M. Central Transportation
Company, Inc.
Mackinac Land and Cattle Company
Straits Wood Treating Company
Bay Development Company
and
Bay Services Company
1410 S. Valley Center Drive
Bay City, MI 48706

Included in the property covered by the Bill of Sale and the Partial Termination and Release of Security Interest are the railroad cars and other rolling stock that follows:

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

The Hon. Vernon A. Williams

-3-

December 4, 1997

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| DM 5825 | DM 5847 | DM 5868 |
| DM 5826 | DM 5848 | DM 5869 |
| DM 5827 | DM 5849 | DM 5870 |
| DM 5828 | DM 5850 | DM 5871 |
| DM 5829 | DM 5851 | DM 5872 |
| DM 5830 | DM 5852 | DM 5873 |
| DM 5831 | DM 5853 | DM 5874 |
| DM 5832 | DM 5854 | DM 5875 |
| DM 5834 | DM 5855 | DM 5877 |
| DM 5835 | DM 5856 | DM 5878 |
| DM 5836 | DM 5858 | DM 5879 |
| DM 5837 | DM 5859 | DM 5880 |
| DM 5838 | DM 5860 | DM 5881 |
| DM 5839 | DM 5861 | DM 5882 |
| DM 5840 | DM 5862 | DM 5883 |
| DM 5841 | DM 5863 | DM 5884 |
| DM 5842 | DM 5864 | DM 5885 |
| DM 5843 | DM 5865 | DM 5887 |
| DM 5844 | DM 5866 | DM 5888 |
| DM 5846 | DM 5867 | DM 5889 |
| | | DM 5890 |

A check in the amount of the applicable filing fee is enclosed. Please return any additional copies of the Bill of Sale and the Partial Termination and Release of Security Interest that are not needed to:

Brad B. Arbuckle, Esq.
Miller, Canfield, Paddock and Stone, P.L.C.
1400 North Woodward Avenue, Suite 100
Bloomfield Hills, Michigan 48304
(248) 645-5000

A short summary of the documents to appear in the index follows:

A bill of sale between Central Michigan Railway Company, 1410 S. Valley Center Drive, Bay City, Michigan 48706, as purchaser, and D.M. Central Transportation Company, Inc., Detroit and Mackinac Railway Company, Mackinac Land and Cattle Company, Straits Wood Treating Company, Bay Development Company and Bay Services Company, 1410 S. Valley Center Drive, Bay City, MI 48706, as vendors, covering the purchase and sale of certain railroad rolling stock.

Partial Termination and Release of Security Interest between D.M. Central Transportation Company, Inc.,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

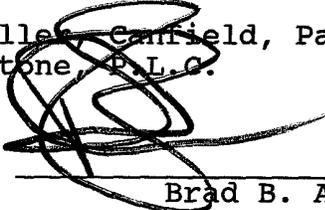
The Hon. Vernon A. Williams -4-

December 4, 1997

Central Michigan Railway Company, Detroit and Mackinac Railway Company, Mackinac Land and Cattle Company, Straits Wood Treating Company, Bay Development Company and Bay Services Company, 1410 S. Valley Center Drive, Bay City, MI 48706, as debtors, and NBD Bank (formerly known as National Bank of Detroit), 611 Woodward Avenue, Detroit, MI 48226, as secured party, and covering certain railroad rolling stock.

Sincerely,

Miller, Canfield, Paddock and
Stone, P.L.C.

By 

Brad B. Arbuckle

caj
Enclosures

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DEC 10 '97

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BILL OF SALE

DEC 10 '97

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THIS BILL OF SALE (the "Instrument") made as of the 1st day of Dec, 1997 by and among CENTRAL MICHIGAN RAILWAY COMPANY, a Michigan railroad corporation having its principal place of business at 1410 South Valley Center Drive, Bay City, Michigan 48760 ("Buyer"), and DETROIT & MACKINAC RAILWAY COMPANY, a Michigan railroad corporation ("DMR"), D.M. CENTRAL TRANSPORTATION COMPANY, INC., a Michigan corporation ("DMCT"), MACKINAC LAND AND CATTLE COMPANY, a Michigan corporation ("MLCC"), STRAITS WOOD TREATING COMPANY, a Michigan corporation ("SWTC"), BAY DEVELOPMENT COMPANY, a Michigan corporation ("BDC"), and BAY SERVICES COMPANY, Michigan corporation ("BSC") (DMR, DMCT, MLCC, SWTC, BDC and BSC, jointly and severally, are the "Seller" and the principal place of business of each of them is 1410 South Valley Center Drive, Bay City, Michigan 48760).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Seller hereby sells, assigns, grants, transfers, conveys, confirms and delivers to Buyer, to have and to hold forever, all right, title and interest of Seller in, to, and with respect to, each and all of the assets, goods, equipment, property, items, matters, things and chattels listed on the attached Schedule A (collectively, the "Property").

2. Seller disclaims and denies all warranties (including, without limitation, any warranty of merchantability and any warranty of fitness for a particular purpose) with respect to the Property; and Buyer accepts and acknowledges that the Property is sold, assigned, granted, transferred, conveyed, confirmed and delivered to Buyer "AS IS, WHERE IS."

3. Seller covenants to Buyer that:

a. As of the date of this Instrument and to the best knowledge of Seller, there are no outstanding liens or encumbrances that would have a material effect upon Buyer's ability to utilize the Property in the manner previously utilized by Seller.

b. Seller has obtained releases from any and all outstanding liens or encumbrances on the Property.

c. Seller constitutes and appoints Buyer the true and lawful attorney-in-fact of Seller, with full power of substitution, having full right and authority, in the name of Seller (i) to collect or enforce for the account of Buyer, liabilities and obligations of third parties in respect to the Property; (ii) to institute and prosecute all proceedings that Buyer may deem proper in order to collect, assert, or enforce any claim, right or title of any kind in or to the Property, (iii) to defend and compromise any and all actions, suits, or proceedings in respect of the Property, and (iv) to do all such acts and things in relation to the Property that Buyer may deem advisable. Upon Buyer's request and at Buyer's expense, Seller shall take, in Seller's name, any and all steps to do any and all things which may be or become lawful and necessary, proper, convenient, or desirable to enable Buyer to reduce to possession, collect, enforce, own and enjoy any and all rights and benefits in, to, with respect to, or in connection with, the Property, and each and every part or portion thereof. Seller agrees that the above-stated powers are coupled with an interest and shall be irrevocable by Seller in any manner or for any reason.

4. This Instrument (i) shall be governed by the laws of the State of Michigan, (ii) shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns, and (iii) may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Instrument.

IN WITNESS WHEREOF, this Instrument has been executed by, or on behalf of all of the parties hereto as of the date first above written.

WITNESSES:

Kathryn K. Hook
Name:
James P. [Signature]
Name:

BUYER:

CENTRAL MICHIGAN RAILWAY COMPANY

By Charles A. Pinkerton III
Name: Charles A. Pinkerton III
Its duly authorized agent

SELLER:

DETROIT & MACKINAC RAILWAY COMPANY

By C.A. Pinkerton III
Name: Charles A. Pinkerton III
Its duly authorized agent

D.M. CENTRAL TRANSPORTATION COMPANY, INC.

By C.A. Pinkerton III
Name: Charles A. Pinkerton III
Its duly authorized agent

MACKINAC LAND AND CATTLE COMPANY

By C.A. Pinkerton III
Name: Charles A. Pinkerton III
Its duly authorized agent

STRAITS WOOD TREATING COMPANY

By C.A. Pinkerton III
Name: Charles A. Pinkerton III
Its duly authorized agent

BAY DEVELOPMENT COMPANY

By C.A. Pinkerton III
Name: Charles A. Pinkerton III
Its duly authorized agent

BAY SERVICES COMPANY

By C.A. Pinkerton III
Name: Charles A. Pinkerton III
Its duly authorized agent

STATE OF MICHIGAN)
COUNTY OF BAY) ss.

Before me, the undersigned authority, on the date first above written personally appeared Charles A. Pinkerton III, to me known to be the person whose name is subscribed to the foregoing instrument and known to me to be the President of Central Michigan Railway Company, a Michigan railroad corporation, and acknowledged to me that he executed said instrument for the purposes and

consideration therein expressed, in the capacity therein stated and as the act and deed of said association.

Linda J. Hooverman

Notary Public
Saginaw County, Michigan
My Commission Expires:

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

Before me, the undersigned authority, on the date first above written personally appeared Charles A. Pinkerton III, to me known to be the person whose name is subscribed to the foregoing instrument and known to me to be the President of Detroit & Mackinac Railway Company, a Michigan railroad corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said association.

Linda J. Hooverman

Notary Public
Saginaw County, Michigan
My Commission Expires:

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

Before me, the undersigned authority, on the date first above written personally appeared Charles A. Pinkerton III, to me known to be the person whose name is subscribed to the foregoing instrument and known to me to be the President of D.M. Central Transportation Company, a Michigan corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said association.

Linda J. Hooverman

Notary Public
Saginaw County, Michigan
My Commission Expires:

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

Before me, the undersigned authority, on the date first above written personally appeared Charles A. Pinkerton III, to me known to be the person whose name is subscribed to the foregoing instrument and known to me to be the President of Mackinac Land and Cattle Company, a Michigan corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said association.

Linda J. Hooverman

Notary Public
Saginaw County, Michigan
My Commission Expires:

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

Before me, the undersigned authority, on the date first above written personally appeared Charles A. Pinkerton III, to me known to be the person whose name is subscribed to the foregoing instrument and known to me to be the President of Straits Wood Treating Company, a Michigan corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said association.

Linda J. Hooverman
Notary Public
Saginaw County, Michigan
My Commission Expires:

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

Before me, the undersigned authority, on the date first above written personally appeared Charles A. Pinkerton III, to me known to be the person whose name is subscribed to the foregoing instrument and known to me to be the President of Bay Development Company, a Michigan corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said association.

Linda J. Hooverman
Notary Public
Saginaw County, Michigan
My Commission Expires:

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

Before me, the undersigned authority, on the date first above written personally appeared Charles A. Pinkerton III, to me known to be the person whose name is subscribed to the foregoing instrument and known to me to be the President of Bay Services Company, a Michigan corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said association.

Linda J. Hooverman
Notary Public
Saginaw County, Michigan
My Commission Expires:

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

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SCHEDULE A

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STATE OF MICHIGAN)
 : ss.
COUNTY OF OAKLAND)

I hereby certify that on this 1st day of December, 1997, I compared the foregoing copy of the Bill of Sale dated December 1, 1997 executed by and among (i) Charles Pinkerton, President of Central Michigan Railway Company, 1410 South Valley Center Drive, Bay City, Michigan 48760, (ii) Charles Pinkerton, President of Detroit & Mackinac Railway Company, 1410 South Valley Center Drive, Bay City, Michigan 48760, (iii) Charles Pinkerton, President of D.M. Central Transportation Company, Inc., 1410 South Valley Center Drive, Bay City, Michigan 48760, (iv) Charles Pinkerton, President of Mackinac Land and Cattle Company, 1410 South Valley Center Drive, Bay City, Michigan 48760, (v) Charles Pinkerton, President of Straits Wood Treating Company, 1410 South Valley Center Drive, Bay City, Michigan 48760, (vi) Charles Pinkerton, President of Bay Development Company, 1410 South Valley Center Drive, Bay City, Michigan 48760, and (vii) Charles Pinkerton, President of Bay Services Company, 1410 South Valley Center Drive, Bay City, Michigan 48760, with the original executed version of the same, and found the copy to be complete in all respects to the original document.



Notary Public

**CECILIA A. JACOBSON, NOTARY PUBLIC
OAKLAND COUNTY, STATE OF MICHIGAN
MY COMMISSION EXPIRES: 09/20/98**

(Notarial Seal)

My Commission Expires: