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ELIAS C. ALVORD (1942)  
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OF COUNSEL  
URBAN A. LESTER

July 31, 2002

RECORDATION NO. 14872-H FILED

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

AUG 1 '02 3-37 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a Memorandum of Termination, dated as of July 2, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease which was previously filed with the Commission under Recordation Number 14872-B.

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

Lessor: USWFS Direct Trust  
Grand Trunk  
(successor in interest to  
US West Financial Services, Inc)  
1201 Market Street  
Wilmington, DE 19801

Lessee: Grand Trunk Western  
Railroad Incorporated  
(successor in interest to  
Grand Trunk Western  
Railroad Company)  
P.O. Box 8100  
Montreal, PQ  
Canada H3C 3N4

Mr. Vernon A. Williams  
July 31, 2002  
Page Two

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

212 tri-level autoracks GTW 853 - GTW 85511 and 108 bi-level autoracks GTW  
85600 – GTW 85707

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

Memorandum of Termination

Also enclosed is a check in the amount of \$30.00 payable to the order  
of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr  
Enclosures

RECORDATION NO. 14872-H FILED

AUG 1 '02 3-37 PM

**SURFACE TRANSPORTATION BOARD**

**MEMORANDUM OF TERMINATION** dated as of July 2, 2002 between **USWFS DIRECT TRUST GRAND TRUNK** ("USWFS Direct"), **USWFS BORROWER TRUST** ("USWFS Borrower") and **GRAND TRUNK WESTERN RAILROAD INCORPORATED** ("GTW").

**WHEREAS**, USWFS Direct (as successor-in-interest to **U S West Financial Services, Inc.**) as lessor and GTW (as successor-in-interest to **Grand Trunk Western Railroad Company**) as lessee entered into a Lease of Railroad Equipment dated as of December 1, 1985, as amended as of February 1, 1996, (the "Lease") covering i) the two-hundred twelve (212) tri-level autoracks marked 85300 to 85511 inclusive and ii) the one-hundred eight (108) bi-level autoracks marked 85600 to 85707 inclusive, built November 1985 through March 1986 by Thrall Car Manufacturing Company in Chicago Heights, Illinois, (collectively, the "Equipment");

**AND WHEREAS**, USWFS Direct and USWFS Borrower entered into a Transfer Agreement dated as of August 1, 1997 (the "Transfer Agreement") whereby, among other things, USWFS Direct transferred unto USWFS Borrower all its right, title and interest in i) certain payments related to the Lease and the Equipment (more particularly, the 'Available Cash Flow' and the "Residual Payments", as defined therein) and ii) certain agreements (more particularly, the 'Warranty Agreement' and the 'Assignment and Assumption Agreement,' as defined therein), (collectively, the "Collateral").

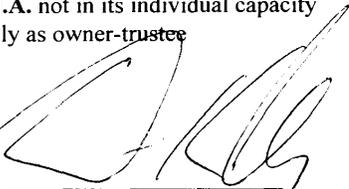
**NOW THEREFORE**, the parties wish to show for the public record that:

- 1) The above described right, title and interest in the Collateral (heretofore transferred by USWFS Direct unto USWFS Borrower under the Transfer Agreement) is hereby transferred, and reassigned, by USWFS Borrower unto USWFS Direct;
- 2) The Lease is hereby terminated by USWFS Direct and GTW (except for such provisions which by their nature are designed to survive the termination thereof); and
- 3) The Equipment has been sold, by USWFS Direct, to GTW by bill of sale of even date herewith.

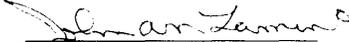
[Execution on next page.]

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed by their officers thereunto duly authorized as of the day and year first above written.

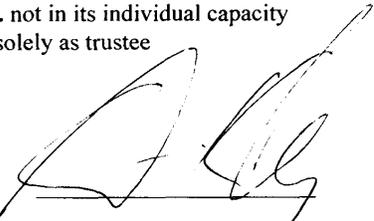
**USWFS DIRECT TRUST GRAND TRUNK**, by Chase Manhattan Bank USA, N.A. not in its individual capacity but solely as owner-trustee

By:   
Its: **Denis Kelly**  
**Assistant Vice President**

**GRAND TRUNK WESTERN RAILROAD INCORPORATED,**

By:   
Its: **Sr. Manager Asset Finance**

**USWFS BORROWER TRUST**, by Chase Manhattan Bank USA, N.A. not in its individual capacity but solely as trustee

By:   
Its: **Denis Kelly**  
**Assistant Vice President**

Notes: On December 30, 1985 at 12:20 P.M., the original Lease was filed with the Interstate Commerce Commission (predecessor to the Surface Transportation Board) pursuant to 49 U.S.C. S11303 (now S11301) and assigned recordation number 14872-B.

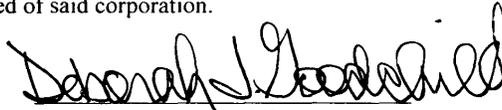
On December 30, 1985 at 3:00 P.M., the original Lease was deposited in the Office of the Registrar General of Canada pursuant to Section 86 (which became Section 90) of the Railway Act of Canada (now Section 105 of the Canada Transportation Act).

GTW File Reference: CA 6283

STATE OF DELAWARE )  
 )  
COUNTY OF NEW CASTLE )

*In the matter of a Memorandum dated  
as of July 2, 2002.*

On this 15<sup>th</sup> day of July, 2002, before me personally appeared Denis Kelly to me personally known, who, being by me duly sworn, says that he / she is Asst Vice President of Chase Manhattan Bank USA, N.A. Financial Services, Inc., that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

**DEBORAH J. GOODCHILD  
NOTARY PUBLIC**

My commission expires: STATE OF DELAWARE  
**My commission expires Nov. 9, 2005**

[Notarial Seal]

PROVINCE OF QUEBEC )  
 )  
DISTRICT OF MONTREAL )

*In the matter of a Memorandum dated  
as of July 2, 2002.*

On this 16<sup>th</sup> day of June, 2002, before me personally appeared John A.N. Lamont, to me personally known, who, being by me duly sworn, says that he is duly authorized to state that the foregoing instrument was signed on behalf of Grand Trunk Western Railroad Incorporated 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.

  
Attorney / Avocat

Bar Number: 190021-8