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INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT

among

GENERAL MOTORS CORPORATION

VENDOR

BANKERS TRUST COMPANY,
as Trustee

VENDEE

and

WEYERHAEUSER COMPANY

GUARANTOR

Dated as of April 1, 1971

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CONDITIONAL SALE AGREEMENT, dated as of April 1, 1971, among GENERAL MOTORS CORPORATION, a Delaware corporation (herein called the "Vendor" or "Manufacturer", as more particularly set forth in Article 26 hereof), BANKERS TRUST COMPANY, a New York banking corporation, as Trustee (herein called the "Trustee") under the Trust Agreement referred to below, and WEYERHAEUSER COMPANY, a Washington corporation (herein called the "Guarantor"),

WHEREAS, the Trustee and Industrial Leasing Corporation, a Rhode Island corporation (herein called "ILC"), have entered into an interim trust agreement dated as of April 1, 1971 to be amended concurrently with the execution and delivery hereof (herein as so amended and as the same may from time to time be further supplemented or amended called the "Trust Agreement," receipt of an executed counterpart of which, as so amended, is hereby acknowledged by the Manufacturer and the Guarantor) wherein, among other things, the Trustee agrees to hold, in accordance with the terms and provisions of said Trust Agreement, all its right, title and interest in and to, among other things, this Agreement, the Lease hereinafter referred to, all payments or proceeds received under the Lease or after the termination thereof with respect to any Unit as the result of the sale,

lease, or other disposition thereof or otherwise, the conditional sale agreement, dated as of June 1, 1971, among Thrall Car Manufacturing Company, a Delaware corporation, the Trustee and the Guarantor (herein called the "Chip Car Conditional Sale Agreement") in substantially the form of Exhibit IV to the Trust Agreement and all monies, proceeds or property at any time received by the Trustee, for the benefit of ILC, in accordance with the terms of the Trust Agreement; and

WHEREAS, the Trustee is the assignee under an assignment and assumption dated as of June 1, 1971 (herein called the "Assignment and Assumption") in substantially the form of Exhibit VI to the Trust Agreement to which the Manufacturer has granted its consent in a consent and agreement, dated as of the same date, annexed thereto, pursuant to which DeQueen and Eastern Railroad Company has assigned to the Trustee its rights under a certain purchase contract (herein called the "Purchase Contract") to acquire, in addition to the diesel locomotive previously delivered under an interim conditional sale agreement, the two diesel locomotives referred to in the Purchase Contract, and the Trustee has been instructed under the Trust Agreement to enter into a conditional sale agreement to set forth more fully the rights and obligations of the Trustee and the Manufacturer

with respect to each of the three aforementioned locomotives (herein individually called a "Unit" and collectively the "Units"); and

WHEREAS, the Trustee is concurrently herewith executing a lease with respect to the Units as of the date hereof (herein, as the same may be amended or supplemented from time to time, called the "Lease") in substantially the form of Exhibit II to the Trust Agreement to Texas, Oklahoma & Eastern Railroad Company, an Oklahoma corporation (herein called the "Lessee"), subject to this Agreement and to the Chip Car Conditional Sale Agreement; and

WHEREAS, ILC, the Lessee, the Guarantor, First National City Bank in its own capacity (herein called "FNCB"), First National City Bank as Agent (herein called the "Agent"), and each Investor named therein (as such term is defined in the Finance Agreement) are concurrently herewith entering into a finance agreement dated as of the date hereof (herein called the "Finance Agreement") in substantially the form of Exhibit I to the Trust Agreement, wherein, among other things, each Investor agrees, subject to the conditions set forth therein, to make available certain participations in the Agent's purchase, under a certain agreement and assignment in substantially the form of Exhibit VIII to the Trust Agreement between the Agent and the Manufacturer to be executed

and delivered concurrently herewith, of certain interests of the Manufacturer in the Units to be sold hereunder;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

Article 1. CONSTRUCTION AND SALE. Pursuant to this Agreement, the Manufacturer will construct the Units at its plant set forth in Annex A hereto and will sell and deliver the Units to the Trustee and the Trustee will purchase from the Manufacturer and accept delivery of and pay for (as hereinafter provided) the Units, each of which will be constructed in accordance with the specifications referred to in Annex A hereto heretofore delivered to the Trustee by the Manufacturer and duly approved by the Lessee and in accordance with such modifications thereof as may have been agreed upon in writing by the Manufacturer, the Trustee and the Lessee (which specifications and modifications, if any, are herein called the "Specifications"). The design, quality, and component parts of the Units will conform to all Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted by the Manufacturer as being applicable to railroad equipment of the character of the Units as of the date of this

Agreement.

Article 2. DELIVERY. Upon the execution hereof the Interim Conditional Sale Agreement dated as of April 1, 1971 between the parties hereto shall be null and void and of no further force and effect and the first of the three Units (herein called in chronological order of delivery the "first", "second" or "third" Unit), prior to the effectiveness of this Agreement subject thereto, shall thereupon be deemed delivered by the Manufacturer and accepted by the Trustee hereunder for all purposes hereof regardless of the location or condition of such Unit. The Manufacturer will deliver the second and third Units to the Trustee at the Lessee's tracks in Eagletown, Oklahoma, in accordance with the delivery schedule set forth in Annex A hereto, and as each such Unit is so delivered it shall thereupon be deemed accepted hereunder and be and become immediately subject to all the terms and provisions of this Agreement without necessity of any further act, and the Trustee shall thereupon bear the responsibility and risk of loss with respect thereto.

The Manufacturer's obligation as to time of delivery is subject, however, to delays resulting from causes beyond the Manufacturer's reasonable control, including, but not limited to, acts of God, acts of government such

as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, or delays in receiving necessary materials.

Notwithstanding the preceding provisions of this Article 2, any Units not delivered and settled for pursuant to Article 3 hereof on or before December 31, 1971 (unless such date is extended by the Trustee, the Guarantor and the Vendor by appropriate written agreement) shall be excluded from this Agreement and not included in the term "Units" as used in this Agreement and this Agreement shall be deemed limited to the Units theretofore delivered and settled for hereunder. In the event of any such exclusion resulting from one or more of the causes referred to in the next preceding paragraph, a separate agreement shall be entered into between the Manufacturer and the Guarantor providing for the purchase of such excluded equipment by the Guarantor, on the terms herein specified, payment to be made in cash on delivery of such Units either directly or by means of a conditional sale, equipment trust or such other appropriate method of financing the purchase as the Guarantor and the Manufacturer shall determine.

The second and third Units shall be subject to

inspection and approval prior to delivery by inspectors or other authorized representatives of the Trustee (who may be employees of the Lessee), and the Manufacturer shall grant to such inspectors or such authorized representatives reasonable access to its plant. The Manufacturer agrees (i) to inspect all materials entering into the construction of the Units and (ii) to furnish the Trustee and the Lessee with copies of the usual mill test reports with regard to steel. Upon the delivery of any Unit as provided herein such Unit shall be deemed accepted hereunder, subject to settlement therefor as herein provided, and subject to all the terms and provisions of this Agreement, whereupon the Trustee shall bear the responsibility and risk of loss with respect thereto. Prior to the Settlement Date (as hereinafter defined) with respect to the second and third Units such Units shall be examined on behalf of the Trustee by an inspector or other authorized representative of the Lessee and if such Units conform to the Specifications, such inspector or representative shall execute and deliver to the Manufacturer on the Settlement Date referred to above, in such number of counterparts or copies as may be reasonably requested, a lease supplement substantially in the form of Exhibit A to the Lease (herein called a "Lease Supplement") confirming the acceptability of such Unit or Units under

the Lease and confirming that such Unit or Units have been inspected and accepted under this Agreement on behalf of the Trustee as of the date of delivery to the tracks of the Manufacturer as set forth above. The Trustee hereby authorizes and empowers the Lessee or any of its authorized representatives to take on behalf of the Trustee all action referred to in this paragraph with respect to inspection of the Units and the execution and delivery of the Lease Supplement.

Article 3. PURCHASE PRICE AND PAYMENT. The final cost (herein called the "Owner's Cost") of the first Unit is \$220,374 and \$231,754 for each of the second and third Units. Owner's Cost shall be subject to such increases or decreases as may be agreed to by the Vendor, the Trustee and the Guarantor. Owner's Cost does not include freight charges from McCook, Illinois, to point of delivery as set forth in Article 2 hereof, which charges shall be paid, or caused to be paid, to the Vendor by the Guarantor.

The Trustee hereby acknowledges that it is indebted to the Vendor in the amount of, and hereby promises to pay or cause to be paid, in cash to the Vendor at such place as the Vendor may designate, the Owner's Cost of each of the Units as follows:

(a) On the Settlement Date (as hereinafter

defined) with respect to each Unit, an aggregate amount equal to 22% of the Owner's Cost thereof, as stated in the invoice or invoices therefor; and

(b) In 30 semiannual instalments, payable on March 31 and September 30 in each year, commencing March 31, 1977 to and including September 30, 1991 (or if any such date is not a business day on the next succeeding business day), an amount equal to the aggregate Owner's Cost of the Group less the amounts paid or payable with respect thereto pursuant to subparagraph (a) of this paragraph (such unpaid portion of Owner's Cost being herein called the "Conditional Sale Indebtedness").

The unpaid portion of the Owner's Cost shall bear interest at the rate of 8% per annum as if unpaid from September 30, 1971, payable semiannually on March 31 and September 30 in each year, commencing March 31, 1972. The principal amount of the Conditional Sale Indebtedness payable on each of the 30 semiannual payment dates shall be calculated on such a basis that the aggregate of the principal and interest payable on each payment date shall be substantially equal and such 30 instalments of principal and interest will completely amortize the Conditional Sale Indebtedness.

The term "Settlement Date" with respect to the first Unit shall mean the date this Agreement is executed and delivered and with respect to both the second and third Units, such date (on or after September 30, 1971 but not later than December 31, 1971) not more than ten business days following the delivery of the third Unit in accordance with Article 2 hereof and five business days following presentation by the Manufacturer to the Trustee, in form and substance satisfactory to it and its counsel, of invoices covering the Owner's Cost of the second and third Units; provided, however, that if on or prior to December 31, 1971 the Manufacturer shall not have delivered the third Unit, the Settlement Date with respect to the second Unit, if same shall have been delivered by December 31, 1971, shall be the later of (i) December 31, 1971 and (ii) such date not more than (a) ten business days following the delivery of the second Unit in accordance with Article 2 hereof and (b) five business days following presentation by the Manufacturer to the Trustee, in form and substance satisfactory to it and its counsel, of invoices covering the Owner's Cost of the second Unit; and provided further, however, that if the Settlement Date shall be postponed pursuant to the provisions of the Finance Agreement or any assignment of this Agreement, then the term "Settlement Date" as used in this Agreement shall mean such postponed Settle-

personal liability to make any payments under this Agreement whatsoever except from the income and proceeds from the Units to the extent actually received by the Trustee as above provided. In addition the Vendor agrees and understands that the Trustee (i) makes no representation or warranty as to, and, except as to the due authorization and execution of same by the Trustee, is not responsible for the due execution, validity, sufficiency or enforceability of the Lease or any document relative thereto or of any of the Lessee's or the Guarantor's obligations thereunder and (ii) shall have no obligation, duty or other liability whatsoever to see to or be responsible for the performance or observance by the Lessee or the Guarantor of any of their agreements, representations, indemnities, obligations or other undertakings under the Lease it being understood that as to all such matters the Vendor looks solely to the Vendor's rights under this Agreement against the Guarantor and the Units and to the Vendor's rights under the Lease against the Lessee, the Guarantor and the Units. Nothing contained herein limiting the liability of the Trustee shall derogate from the right of the Vendor to proceed against the Units or the Guarantor as provided for herein for the full unpaid Owner's Cost of the Units and interest thereon.

All payments provided for in this Agreement shall

be made in lawful money of the United States of America and in immediately available funds. Except as provided in Articles 6 and 17 hereof, the Trustee shall not have the privilege of prepaying any instalment of its indebtedness hereunder prior to the date it becomes due.

Article 4. ADDITIONAL CONDITIONS. The obligation of the Trustee under this Agreement to confirm delivery and pay the Owner's Cost as set forth in Article 3 hereof with respect to any Unit or Units shall be subject to the satisfaction, on or prior to the Settlement Date with respect thereto, of the terms and conditions of Sections 22 and 23 of the Finance Agreement in a manner satisfactory to the Trustee.

Article 5. TITLE TO THE UNITS. The Vendor shall and hereby does retain the full legal title to and property in the Units until the Trustee shall have made all of the payments hereunder and shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Units to and the possession and use thereof by the Trustee or the Lessee as herein provided. Any and all additions to the Units and any and all replacements of the Units and of parts thereof and additions thereto shall constitute accessions to the Units and shall be subject to all the terms and conditions of this Agreement and

included in the term "Units" as used in this Agreement.

When and only when the Vendor shall have been paid the full Conditional Sale Indebtedness, together with interest as herein provided, and all the Trustee's obligations herein contained shall have been performed by the Trustee, absolute right to the possession of, title to and property in the Units shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee, will execute a bill or bills of sale of the Units transferring the Vendor's title thereto and property therein to the Trustee or upon its order free of all liens and encumbrances created or retained hereby and deliver such bill or bills of sale to the Trustee at its address specified in Article 20 hereof, and will execute in the same manner and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to the Units and will pay to the Trustee any money paid to the Vendor pursuant to Article 6 hereof and not theretofore applied as therein provided. The Trustee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or

damages for failure to execute and deliver such bill or bills of sale or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or to file such certificate within a reasonable time after written demand of the Trustee.

Article 6. CASUALTY OCCURRENCES. In the event that any Unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged or taken or requisitioned by condemnation or otherwise (each such occurrence being herein called a "Casualty Occurrence"), the Trustee shall within five days after it has received written notice of a Casualty Occurrence notify the Vendor in regard thereto. If the Trustee receives notice thereof under the Lease, such notice to the Vendor shall be dated as of the date such notice is given to the Trustee under the Lease. On the next succeeding date for the payment of interest on and/or principal of the Conditional Sale Indebtedness after the date of such notice (or in the event such payment date shall occur within five days after the date of such notice on the following payment date) the Trustee shall pay to the Vendor a sum equal to the Casualty Value (as herein-after defined) of such Unit suffering a Casualty Occurrence as of the date of such payment. Any money paid to the Ven-

dor pursuant to this paragraph shall be applied to prepay the Conditional Sale Indebtedness with respect to such Unit and the Trustee will promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made with respect to the remaining Units in such number of counterparts as the Vendor may request, calculated as provided in the second and third paragraphs of Article 3 hereof, so that the number of payments shall not be reduced, but the amount of such payment shall be proportionately reduced.

Upon payment by the Trustee to the Vendor of the Casualty Value (as such term is hereinafter defined) of any Unit having suffered a Casualty Occurrence, absolute right to the possession of, full title to and property in such Unit shall pass to and vest in the Trustee, without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee, will execute and deliver to the Trustee, at the expense of the Trustee and without liability to the Vendor, an appropriate instrument confirming such passage to the Trustee of all of the Vendor's right, security title and interest in such Unit, in recordable form in order that the Trustee may make clear upon the public records the title of the Trustee to such Unit.

The "Casualty Value" of each Unit suffering a

Casualty Occurrence shall be that portion of the original Owner's Cost thereof remaining unpaid on the date as of which such Casualty Value shall be determined (without giving effect to any prepayment or prepayments theretofore made under this Article 6), plus interest accrued thereon but unpaid as of such date.

In the event that during the term of this Agreement the use of any Unit shall be requisitioned or any Unit shall be taken by any governmental authority under the power of eminent domain or otherwise, on any basis not involving the taking of title to such Unit, such requisition or taking shall not terminate this Agreement with respect to such Unit, and each and every obligation of the Trustee with respect thereto shall remain in full force and effect. So long as none of the events of default specified in Article 16 shall have happened and be continuing, the Vendor shall pay to the Agent, for the account of the Trustee all sums received by the Vendor from any governmental authority as compensation for requisition or taking of title or possession in respect of any period.

Article 7. OBLIGATIONS OF GUARANTOR. The Guarantor, for value received, hereby unconditionally guarantees to the Vendor by endorsement (through its execution hereof) the due and punctual payment of the Conditional Sale Indebt-

edness and interest thereon, and the due and punctual performance of all obligations of the Trustee and the due and punctual payment of any and all sums payable by the Trustee under this Agreement (except for the obligations of the Trustee to make payment of the sums payable by the Trustee pursuant to subparagraph (a) of the second paragraph of Article 3 hereof) when due, whether at stated maturity or by declaration or otherwise, and in case any such payments or obligations are not so made or performed the Guarantor agrees punctually to pay or perform the same, irrespective of any enforcement against the Trustee of any of the rights of the Vendor hereunder.

The Guarantor hereby agrees that its obligations hereunder shall be unconditional (and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever) irrespective of the genuineness, validity, regularity or enforceability of this Agreement or any other circumstance which might otherwise constitute a legal or equitable discharge of a surety or guarantor and irrespective of Article 15 or any other circumstances which might limit the recourse of the Vendor to the Trustee. This guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment or performance of any of the Lessee's obligations under this Agreement is rescinded or

must otherwise be restored or returned by the Lessor upon the insolvency, bankruptcy or reorganization of the Lessee, or otherwise, all as though such payment or performance had not occurred. The Guarantor hereby waives diligence, presentment, demand of payment, protest, any notice of any assignment hereof in whole or in part or of any default hereunder and all notices with respect to this Agreement and all demands whatsoever hereunder. No waiver by the Vendor of any of its rights hereunder and no action by the Vendor to enforce any of its rights hereunder or failure to take, or delay in taking, any such action shall affect the obligations of the Guarantor hereunder.

Article 8. PREPAYMENT OF CONDITIONAL SALE INDEBTEDNESS UNDER CERTAIN CIRCUMSTANCES. In the event that the Lessee shall be required by Section 18 of the Lease to purchase the Units, then, in such event, the Trustee hereby unconditionally and irrevocably agrees that it will, on or before December 20, 1971, pay to the Vendor an amount equal to the unpaid principal amount of the Conditional Sale Indebtedness outstanding on the date of such purchase plus the unpaid interest thereon accrued to and including such date. On the date of receipt of the Conditional Sale Indebtedness, with interest thereon, in full as referred to above, the Vendor will deliver to the Trustee

a bill of sale executed by the Vendor covering the Units (in their then condition and location on an "as is, where is" basis) and the Vendor will pay over to the Trustee any insurance proceeds or payments from governmental authorities then held or thereafter received by the Vendor with respect to the Units or any thereof. Such transfer of title by the Vendor will be without any recourse or warranty whatsoever except for liens or encumbrances resulting from claims against the Vendor not related to its ownership of the Units. The Trustee will pay, or cause to be paid, any costs or expenses or taxes in connection with such payment and transfer of title, and the Vendor shall have no duty, responsibility or liability whatsoever with respect thereto except as expressly provided herein.

Article 9. REPORTS AND INSPECTIONS. On or before March 1 in each year, commencing with the year 1972, the Trustee will furnish to the Vendor, promptly upon receipt thereof from the Lessee, copies of each and every report or statement received by the Trustee from the Lessee pursuant to Section 7 of the Lease. The Vendor shall have the right, by its agents, to inspect the Units in the possession of the Trustee and the Trustee's records with respect thereto once in every year.

Article 10. POSSESSION AND USE. The Trustee,

so long as it shall not be in default under this Agreement, shall be entitled, from and after delivery of the Units by the Manufacturer to the Trustee, to the possession of the Units and the use thereof upon the lines of railroad owned or operated by the Lessee or over which the Lessee has trackage rights or rights for operation of its trains, and upon connecting and other railroads in the usual interchange of traffic, and as provided in Section 5 of the Lease and in the next succeeding paragraph, but only upon and subject to all the terms and conditions of this Agreement.

The Trustee may lease the Units to the Lessee for use upon the lines of railroad owned or operated by the Lessee or over which the Lessee has trackage rights or rights for operation of its trains, and upon connecting and other railroads in the usual interchange of traffic, or to any corporation pursuant to the last paragraph of Section 25 of the Lease, or, with the prior written consent of the Vendor, to any other corporation; provided, however, that the rights of the Lessee or such other corporation under such Lease shall be expressly subordinated to the rights and remedies of the Vendor under this Agreement.

Article 11. PROHIBITION AGAINST LIENS. The Trustee will, as soon as possible, cause to be duly discharged

any lien, charge or encumbrance, resulting from a claim by, through or under the Trustee or its successors or assigns (excluding any lessee under a lease permitted hereunder), upon the Units, or any of them, equal or superior to the title of the Vendor thereto, unless the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the non-discharge thereof would not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor hereunder.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due or delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

Article 12. INDEMNITIES AND WARRANTIES. The Trustee will bear the risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any Unit or Units except as provided in Article 6 hereof.

The Manufacturer guarantees that the Units will be built in accordance with the requirements, specifications and standards set forth or referred to in Article 1 hereof and is suitable for the ordinary purposes for which such

Units are used. The Manufacturer warrants that the Units will be free from defects in material and workmanship which may develop under normal use and service within two years from date of delivery or before the locomotive has been operated 250,000 miles, whichever event shall first occur. The Manufacturer agrees to correct such defects, which examination shall disclose to the Manufacturer's satisfaction to be defective, by repair or replacement F.O.B. factory and such correction shall constitute fulfillment of the Manufacturer's obligation with respect to such defects under this warranty. The Manufacturer warrants specialties not of its own specification or design to the same extent that the suppliers of such specialties warrant such items to the Manufacturer. This warranty is expressly in lieu of all other warranties, express or implied, and of all other obligations or liabilities on the part of the Manufacturer, except for its obligations under Articles 1, 2, 3 and 13 hereof, and the Manufacturer neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Units except as aforesaid. The Manufacturer further agrees with the Trustee that the acceptance of any Unit by the Trustee under Article 2 hereof shall not be deemed a waiver by the Trustee of any of its rights under this paragraph.

It is understood and agreed that in no event shall the Manufacturer be liable for indirect or consequential damages of any kind.

Article 13. PATENT INDEMNITIES. Except in cases of designs specified by the Trustee or the Lessee and not developed or purported to be developed by the Manufacturer, and articles and materials specified by the Trustee or the Lessee and not manufactured by the Manufacturer, the Manufacturer agrees to indemnify, protect and hold harmless the Trustee from and against any and all liabilities, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Trustee or its assigns because of the use in or about the construction or operation of the Units of any design, article or material infringing or claimed to infringe on any patent or other right. The Manufacturer agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to the Trustee every claim, right and cause of action which the Manufacturer has or hereafter shall have against the originator of any design specified by the Trustee or the Lessee and not developed or purported to be developed by the Manufacturer or against the seller or sellers of any

designs or articles or materials so specified by the Trustee or the Lessee and purchased or otherwise acquired by the Manufacturer for use in or about the construction or operation of the Units, on the ground that any such design, article or material or operation thereof infringes or is claimed to infringe on any patent or other right and the Manufacturer further agrees to execute and deliver to the Trustee all and every such further assurance as may be reasonably requested by the Trustee, more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action. The Trustee will give notice to the Manufacturer of any claim known to the Trustee from which liability may be charged against the Manufacturer hereunder.

It is further agreed that the defense of any claim referred to in this Article 13 shall be undertaken by the Manufacturer and the Trustee shall cooperate in such defense to the extent reasonably requested.

Article 14. ASSIGNMENTS. The Trustee will not sell, assign, transfer or otherwise dispose of its rights under this Agreement or, except as provided in Article 10 hereof, transfer the right to possession of any Unit without first obtaining the written consent of the Vendor. An assignment, sale, transfer or other disposition to (a) one

or more successor trustees appointed pursuant to the provisions of the Trust Agreement, (b) First National City Bank or any corporation or other entity controlled by the Bank or (c) to any bank or banks domiciled in the United States of America and which, in the cases referred to in clauses (b) and (c) above, by execution of an appropriate instrument satisfactory to the Vendor, shall assume and agree to perform each and all of the obligations and covenants of the Trustee hereunder, shall not be deemed a breach of this covenant.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Trustee, may be assigned by the Vendor and reassigned by an assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Manufacturer from, any of the obligations of the Manufacturer to cause to be constructed and to deliver the Units in accordance herewith or to respond to its guaranties, warranties and indemnities contained in Articles 12 and 13 hereof, or relieve the Trustee of its obligations to the Manufacturer under subparagraph (a) of the second paragraph of Article 3 hereof or any other obligation which, according to its terms and context, is intended to survive an assignment.

Upon any such assignment either the assignor or the assignee shall give written notice to the Trustee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all of the Vendor's right, title and interest in and to the Units, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Trustee of the notification of any such assignment, all payments thereafter to be made by the Trustee hereunder shall, to the extent so assigned, be made to the assignee at the address of the assignee specified in the aforesaid notice.

The Trustee and the Guarantor recognize that it is the custom of railroad equipment manufacturers or sellers to assign agreements of this character and understand that the assignment of this Agreement, or some or all of the rights of the Vendor hereunder, is contemplated. The Trustee and the Guarantor expressly represent, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that in the event of such assign-

ment by the Vendor as hereinbefore provided the rights of such assignee to the entire unpaid indebtedness in respect of the Owner's Cost of the Units or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer with respect to the Units or the manufacture, construction, delivery, guaranty or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Trustee or the Guarantor by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Trustee or the Guarantor, as the case may be, against and only against the Manufacturer.

In the event of any such assignment, or successive assignments, by the Vendor of title to the Units and of the Vendor's rights hereunder with respect thereto, the Guarantor will, whenever requested by such assignee, change the names and word or words to be marked on each side of each Unit or, in the event the Units shall then be leased to the Lessee, make demand upon the Lessee to change such

names and word or words, so as to indicate the title of such assignee to the Unit with such names and word or words as shall be specified by such assignee, subject to the requirements of the laws of the jurisdictions in which the Units shall be operated relating to such names and word or words for use on equipment covered by conditional sale agreements with respect to railroad equipment. The marking of such names and word or words with respect to the first assignee of this Agreement shall be without expense to the Manufacturer or such first assignee. The cost of marking such names and word or words in connection with any subsequent assignment (other than to a successor agent if the first assignee is an agent) will be borne by the subsequent assignee.

In the event of any such assignment prior to the completion of delivery of the Units, the Trustee and the Guarantor will, in connection with settlement for any Unit, subsequent to such assignment, deliver to the assignee as soon as possible after delivery by the Lessee of notice fixing the Settlement Date with respect to such Unit, all documents required by the terms of such assignment or by the Finance Agreement to be delivered to the assignee in connection with such settlement, except for any opinion of counsel for the assignee, in such number of counterparts

as may reasonably be requested.

If this Agreement shall have been assigned by the Manufacturer, the Guarantor hereby guarantees to the Manufacturer that all payments provided to be made to the Manufacturer pursuant to the instrument creating such assignment or pursuant to the Finance Agreement promptly will be made to the Manufacturer. Whether or not this Agreement shall have been assigned, if the Trustee shall fail on any Settlement Date to make, or cause to be made, its payment in respect of a Unit required by subparagraph (a) of the second paragraph of Article 3 hereof, such Unit shall be excluded from this Agreement and the Guarantor will, not later than 90 days after such Settlement Date, purchase such Unit for cash either directly or, in case the Guarantor shall arrange therefor, by means of a conditional sale, equipment trust or such other appropriate method of financing as the Guarantor shall determine, at a price equal to the Owner's Cost of such Unit together with interest thereon from such Settlement Date to the date of payment by the Guarantor, at the prime rate of interest charged by First National City Bank, New York, New York for 90 day loans to substantial and responsible commercial borrowers, each change in such rate to take effect on the effective date of such change as announced by First National City Bank.

Article 15. LIMITATION OF TRUSTEE'S OBLIGATIONS.

Notwithstanding any other provision of this Agreement, it is understood and agreed by the Vendor that all payments to be made by the Trustee under and pursuant to this Agreement are required to be made only from amounts received by or paid for the account of the Trustee under the Lease and the Finance Agreement and, with respect to the foregoing amounts, only to the extent that such funds are available for distribution under the applicable provisions of the Trust Agreement or the Finance Agreement.

The obligations of the Trustee hereunder shall be deemed in all respects satisfied by the performance of the Lessee of its obligations contained in the Lease, except that the Trustee shall be obligated to discharge any lien or encumbrance on the Units resulting from a claim against the Trustee not related to its ownership of the Units. The Trustee shall not have any responsibility for the Lessee's failure to perform such obligations but if the same shall not be performed that shall constitute the basis for an event of default hereunder. It is expressly understood and agreed by and between the parties hereto that anything herein to the contrary notwithstanding each and all of the representations, covenants, undertakings and agreements

herein made on the part of the Trustee while in form purporting to be the representations, covenants, undertakings and agreements of the Trustee are nevertheless each and everyone of them made and intended not as personal representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding the Trustee personally but are made and intended for the purpose of binding only the Trust Estate (as such term is defined in the Trust Agreement) and this Agreement is executed and delivered by the Trustee not in its own right but solely in the exercise of the powers expressly conferred upon it as such Trustee and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee or any beneficiary under the Trust Agreement, either express or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor, provided, however, that the Vendor or any person claiming by, through or under any of them making a claim hereunder may look to the Trust Estate for the satisfaction of the same.

Article 16. DEFAULTS. In the event that any one or more of the following events of default shall occur and be continuing (any such event being hereinafter called

an "Event of Default"), to wit:

(a) The Trustee shall fail to pay in full any sum payable by the Trustee when payment thereof shall be due hereunder and such failure shall continue for five days (notwithstanding the provisions of Article 15 hereof); or

(b) The Trustee shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on their part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) The Trustee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any Unit and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Unit within 30 days after written notice from the Vendor to the Trustee demanding such cancellation and recovery of possession; or

(d) One or more of the Events of Default enumerated in Section 14 of the Lease or Article 16 of the Chip Car Conditional Sale Agreement shall occur and be continuing or if, without the prior written consent of the Vendor, (i) the Trust Agreement shall be amended or modified or (ii) the Lease shall be amended or supplemented or, except in accordance with the terms thereof, cancelled or terminated with respect to any Unit, or any of the terms thereof shall be waived or modified; or

(e) Any proceedings shall be commenced by or against the Guarantor for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and all the obligations of the Guarantor under this Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Guarantor or for the property of the Guarantor in con-

nection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then at any time after the occurrence of such an Event of Default the Vendor may, upon written notice to the Trustee and the Guarantor and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) cause the Lease immediately upon such notice to terminate (and the Trustee acknowledges the right of the Vendor to terminate the Lease), provided that the Vendor shall not exercise such right to the extent that to do so would interfere with, or otherwise adversely affect any right or interest of the Lessee under the Lease unless and until an Event of Default as defined in the Lease shall have occurred and be continuing and/or (ii) declare (hereinafter called a "Declaration of Default") the entire Conditional Sale Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the Conditional Sale Indebtedness and such interest shall

bear interest from the date of such declaration at the rate of 9% per annum and the Vendor shall thereupon be entitled to recover judgment for the entire Conditional Sale Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of the Trust Estate, as defined in the Trust Agreement (subject to the provisions of Article 15 hereof), or any property of the Guarantor wherever situated. The Trustee and the Guarantor hereby agree to give prompt notice in writing to the Vendor of any default under this Agreement known respectively to the Trustee or the Guarantor, the Trustee's obligation under this sentence being limited, however, in so far as such default relates to the Lessee, to furnishing copies of any written notice it receives in respect of such default.

The Vendor may waive any such event of default and its consequences and rescind any Declaration of Default and notice of termination of the Lease by notice to the Trustee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had existed and no Declaration of Default and notice of termination of the Lease had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Trustee and the Guarantor that time is of the essence of this

Agreement and that no such waiver or rescission shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

Article 17. REMEDIES. At any time during a Declaration of Default, the Vendor may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law then in force and applicable to the action to be taken by the Vendor (provided that the Vendor shall not exercise any of the following rights or remedies to the extent that to do so would interfere with, or otherwise adversely affect, any right or interest of the Lessee under the Lease unless and until an Event of Default as defined in the Lease shall have occurred and be continuing) take, or cause to be taken by its agent or agents, immediate possession of all or any of the Units without liability to return to the Trustee or the Guarantor any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Trustee or anyone having such possession and use and for such purpose may enter upon the premises of the Trustee or any lessee where all or any of the Units may be located and may use and employ in connection with such removal any supplies, services and aids and any available

trackage and other facilities or means of the Trustee, the Guarantor or said lessee, with or without process of law.

In case the Vendor shall rightfully demand possession of all or any of the Units in pursuance of this Agreement and shall reasonably designate a point or points upon the lines of any lessee for the delivery of such Units to the Vendor, the Trustee shall, at its own expense, forthwith make demand upon such lessee to cause such Units to be moved forthwith and in the usual manner to such point or points as shall be reasonably designated by the Vendor and shall there deliver such Units or cause them to be delivered to the Vendor. At the option of the Vendor, the Vendor may keep all or any of the Units on any of the lines of railroad or premises of any such lessee until the Vendor shall have leased, sold or otherwise disposed of the same. For such purpose the Trustee agrees to make demand upon such lessee to furnish, without charge for rent or storage, the necessary facilities at any reasonably convenient point or points selected by the Vendor. This agreement to deliver the Units as hereinbefore provided is of the essence of this Agreement between the parties, and upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Trustee and/or any lessee requiring specific performance hereof; provided, however,

that if the Lessee is in possession of all of the Units, the Vendor shall be entitled to such a decree only against the Lessee. The Trustee and the Guarantor hereby expressly waive any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any Unit in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of all or any of the Units as hereinbefore in this Article 17 provided) may at its election and upon such notice as is hereinafter set forth retain such Units in satisfaction of the entire indebtedness in respect of the Owner's Cost of such Units together with interest thereon accrued and unpaid and all other payments due under this Agreement and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain all or any of the Units shall be given to the Trustee and the Guarantor by telegram or registered mail, addressed as provided in Article 20 hereof, and to any other persons to whom the law may require notice within 30 days after the entire indebtedness in respect of the Owner's Cost of the Units shall have been declared immediately due and payable. In the event that the Vendor should elect to retain all or any of the Units, and no objection is made thereto within the

30-day period described in the second proviso below, all rights of the Trustee in such Unit or Units will thereupon terminate and all payments made by the Trustee or the Guarantor may be retained by the Vendor as compensation for the use of same; provided, however, that if the Trustee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the indebtedness in respect of the Owner's Cost of such Unit or Units, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in such Unit or Units shall pass to and vest in the Trustee; and provided further, however, that if the Trustee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain said Units, then the Vendor may not so retain such Units, but shall sell, lease or otherwise dispose of them or continue to hold them pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. The Vendor shall apply the proceeds of such sale, lease or other disposition as hereinafter in this Article 17 provided.

At any time during the continuance of a Declara-

tion of Default, the Vendor with or without the retaking of possession thereof at its election and upon reasonable notice to the Trustee, the Guarantor and any other persons to whom the law may require notice of the time and place, may sell the Units, or any thereof, free from any and all claims of the Trustee, or of any other party (including any lessee) claiming by, through or under the Trustee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if prior to such sale or prior to the making of a contract for such sale, the Trustee should tender full payment of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking, holding and preparing such Units for disposition and arrangement for the sale and the Vendor's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in such Units shall pass to and vest in the Trustee. The proceeds of such sale, or of any lease or other disposition of the Units as provided hereunder, less the attorneys' fees and any other expenses incurred by the Vendor in taking possession of, removing, storing and so disposing of the Units, shall be credited on the amount due to the Vendor under the provisions of

this Agreement.

Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine; provided, however, that the Trustee and the Lessee shall be given written notice of such sale as provided hereinabove. If such sale shall be a private sale, it shall be subject to the right of the Trustee and the Lessee to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. The Vendor may bid for and become the purchaser of all or any of the Units so offered for sale without accountability to the Trustee or the Lessee (except to the extent of surplus money received as hereinafter provided in this Article 17) and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all sums due to the Vendor from the Trustee hereunder.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now

or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor, except as such exercise may expressly be limited herein. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others, except as such exercise may expressly be limited herein. No delay, except where time limits are expressly herein provided, or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

All sums of money realized by the Vendor under the remedies herein provided shall be applied, first, to the payment of the expenses and liabilities of the Vendor herein undertaken to be paid, second, to the payment of interest on the unpaid Owner's Cost of the Units accrued and unpaid and, third, to the payment of the unpaid Owner's Cost of the Units. If, after applying as aforesaid all sums of money realized by the Vendor, there shall remain any amount due to it under the provisions of this Agreement, the Trustee shall pay (to the extent only of its liability

pursuant to Section 15 hereof) the amount of such deficiency to the Vendor upon demand, and, if the Trustee shall fail to pay the full deficiency (only to the extent as aforesaid), the Vendor may bring suit therefor, and shall be entitled to recover a judgment therefor against the Trustee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Trustee.

The Trustee, subject to the provisions of Article 15 hereof, will pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including attorneys' fees and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 17 are subject in all respects to all mandatory requirements of law at the time in force and applicable thereto.

Any and all obligations of the Trustee under this Agreement are in all respects subject to the provisions of Section 15 hereof.

ARTICLE 18. APPLICABLE STATE LAWS. Any provi-

sion of this Agreement prohibited by any applicable law of any state, or which by any applicable law of any state would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such state be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the Trustee to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Trustee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell the Units, or any of them, and, any other requirements as to the time, place and terms of sale thereof, any other requirements with respect to the enforcement of the Vendor's rights hereunder and any and all rights of redemption.

Article 19. EXTENSION NOT A WAIVER. No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Vendor shall impair or affect the Vendor's right thereafter to exercise the same. Any extension of time for payment hereunder or other

indulgence duly granted to the Trustee shall not otherwise alter or affect the Vendor's rights or the obligations of the Trustee hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or defaults therein.

Article 20. NOTICE. Any notice hereunder to the party designated below shall be deemed to be properly served if delivered or mailed to it at its chief place or business at the following specified addresses:

(a) to the Trustee, at 16 Wall Street, New York, New York 10015, Attention: Corporate Trust Division;

(b) to the Manufacturer, at P. O. Box 218, Chicago Heights, Illinois 60411;

(c) to the Guarantor, at Tacoma, Washington 98401, Attention: Treasurer;

(d) to any assignee of the Vendor or of the Trustee, at such address as may have been furnished in writing to the Trustee or the Vendor, as the case may be, by such assignee;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

Article 21. ARTICLE HEADINGS. All article headings are inserted for convenience of reference only and shall not affect any construction or interpretation of this Agreement.

Article 22. EFFECT AND MODIFICATION OF AGREEMENT. This Agreement, and the other documents relating hereto referred to herein, exclusively and completely state the rights and agreements of the Vendor and the Trustee with respect to the Units and supersede all other agreements, oral or written, with respect to the Units. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Vendor and the Trustee.

Article 23. LAW GOVERNING. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

Article 24. SUCCESSOR TRUSTEE AND RIGHTS OF TRUSTEE AS VENDEE. The Vendor agrees that any successor trustee or trustees appointed from time to time pursuant to the terms of the Trust Agreement shall, upon written notice to the Vendor, succeed to all the rights, powers and title of the Trustee hereunder and shall be deemed to be the Trustee for all purposes hereof, without the necessity of any consent or approval by the Vendor and without altering in any way the terms of this Agreement or the Vendor's or the Trustee's obligations hereunder. Any trustee from time to time serving as trustee hereunder shall have the absolute right to take any action and to exercise any right, remedy, power or privilege conferred upon the Trustee hereunder. Any trustee from time to time serving as trustee hereunder may, but shall not be obligated to, appoint one or more officers of the Agent as attorney-in-fact for such trustee to execute any and all notices, consents and approvals or other documents necessary or desirable to be executed in connection with this Agreement or with the Units.

Article 25. TAXES. All payments to be made by the Trustee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state or federal taxes (other than net income, gross receipts [except gross receipts in the nature of or in lieu of sales

taxes], excess profits and similar taxes, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), assessments, license fees, charges, fines, all expenses of collection or penalties of any kind hereafter levied or imposed upon, or in connection with, or measured by, this Agreement, any assignment hereof or the Lease or any sale, use, payment, shipment, delivery or transfer of legal title or security title under the terms hereof, all of which amounts (hereinafter called "impositions") the Trustee assumes and agrees to pay on demand in addition to the Owner's Cost of the Units. The Trustee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor solely by reason of its ownership thereof and will keep at all times all and every part of the Units free and clear of all impositions which might in any way affect the security title of the Vendor or result in a lien upon any Unit; provided, however, that the Trustee shall be under no obligation to pay any impositions so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the security title, the property or the rights of the Vendor

hereunder. If any such impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Trustee shall reimburse the Vendor on presentation of an invoice therefor. In the event any tax reports are required to be made on the basis of individual Units, the Lessee will either make such reports in such manner as to show the interests of the Trustee and the Agent in such Units or will notify the Trustee and the Agent of such requirement and will make such report in such manner as shall be satisfactory to the Trustee or the Agent.

Article 26. DEFINITIONS. The term "Vendor", wherever used in this Agreement, means, before any assignment of any of its rights hereunder, General Motors Corporation and any successor or successors for the time being to its manufacturing business and properties, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor or assignors as regards any rights hereunder that are retained and excluded from any assignment; and the term "Manufacturer", whenever used in this Agreement, means, both before and after any such assignment, General Motors Corporation and any successor or successors for the time being to its manufacturing business and properties.

Article 27. THE PURCHASE CONTRACT. This Agreement sets forth the entire understanding of the parties hereto as to the purchase and sale of the Units, and is in full substitution for the Purchase Contract assigned to the Trustee under the Assignment and Assumption, and upon the execution of this Agreement by all of the parties hereto the Purchase Contract shall be and become null and void and of no further force and effect and all representations, warranties, indemnities and agreements of the Manufacturer under the Purchase Contract are hereby terminated.

Article 28. SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction to the extent permitted by applicable law.

Article 29. EXECUTION. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such

original counterpart. Although this Agreement is dated for convenience as of June 1, 1971, the actual date or dates of execution hereof by the parties hereto is or are the respective date or dates stated in the acknowledgment hereto annexed.

IN WITNESS WHEREOF, the Manufacturer, the Trustee and the Guarantor pursuant to due corporate authority, have caused this instrument to be executed in its corporate name by its officers thereunto duly authorized, and its corporate seal to be hereunto affixed, duly attested, all as of the date first above written.

ATTEST:

GENERAL MOTORS CORPORATION
ELECTRO-MOTIVE DIVISION

H. B. Jenke
[Corporate Seal]
ASSISTANT SECRETARY

By *J. J. Driscoll*
Vice President

(initials)

BANKERS TRUST COMPANY,
as Trustee

[Corporate Seal]

By *[Signature]*
Vice President

WEYERHAEUSER COMPANY

[Corporate Seal]

By *[Signature]*
Title: *Executive Vice President*

STATE OF ILLINOIS)
COUNTY OF COOK) ss:

On this 14th day of June, 1971, before me personally appeared B. B. Brownell, to me personally known, who, being by me duly sworn, says that he is a Vice President of GENERAL MOTORS CORPORATION (Electro-Motive Division), that one of the seals affixed to the foregoing instrument is the corporate 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

My commission expires October 28, 1971

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On this 24th day of June, 1971, before me personally appeared G. E. MAIER, to me personally known, who, being by me duly sworn, says that he is a Vice President of BANKERS TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate 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.

Margaret S. McCluskey

Notary Public

MARGARET S. McCLUSKEY
 Notary Public, State of New York
 No. 43-260585J
 Qualified in Richmond County
 Certificate filed in New York County
 Commission Expires March 30, 1973

[Notarial Seal]

My Commission expires _____.

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On this 22nd day of June, 1971, before me personally appeared ALAN P. VANDEVERT, to me personally known, who being by me duly sworn, says that he is Attorney-in-Fact for WEYERHAEUSER COMPANY, that one of the seals affixed to the foregoing instrument is the corporate 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.

Margaret S. McCluskey

Notary Public

MARGARET S. McCLUSKEY
 Notary Public, State of New York
 No. 43-2605850
 Qualified in Richmond County
 Certificate filed in New York County
 Commission Expires March 30, 1973

[Notarial Seal]

My Commission expires _____.

ANNEX A
to
Conditional Sale Agreement

<u>Type of Car</u>	<u>Manufacturer's Specifications</u>	<u>Manufacturer's Plant</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>	<u>Purchase Price</u>	<u>Delivery</u>
3000 H.P. GP-40 Diesel Electric Locomotives	No. 8056 dated June 2, 1969	McCook, Ill.	1	D-12	\$220,374	April 8, 1971
"	"	"	2	D-13, D-14	\$231,754	September 1971