

CRAVATH, SWAINE & MOORE

5375/B

RECORDATION NO. \_\_\_\_\_ Filed 1425

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

TELEPHONE  
212 428-1000

WRITER'S DIRECT DIAL NUMBER

5375/C No. 7-316A038

NOV 12 1987 - 12 40 PM

Date.....  
Time \$30.00

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

2 HONEY LANE, CHEAPSIDE  
LONDON EC2V 8BT, ENGLAND  
TELEPHONE: 1-606-1421  
RAPIFAX/INFOTEC:  
1-606-1425

INTERSTATE COMMERCE COMMISSION

1 5375/A

RECORDATION NO. \_\_\_\_\_ Filed 1425

NOV 12 1987 - 12 40 PM

INTERSTATE COMMERCE COMMISSION

November 11, 1987

1 5375

RECORDATION NO. \_\_\_\_\_ Filed 1425

NOV 12 1987 - 12 40 PM

INTERSTATE COMMERCE COMMISSION

Floating Rate Secured Notes  
Due February 1, 1992

NOV 12 1987 - 12 40 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. McGee:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Northwestern Oklahoma Railroad Company, for filing and recordation counterparts of the following documents:

1. Security Agreement dated as of October 26, 1987, between William J. Condren, as Owner, and Citibank, N.A., as Secured Party.

2.(a) Master Agreement dated as of September 1, 1987, among Weyerhaeuser Canada Ltd., as WeyCan, Weyerhaeuser Company, as Guarantor and William J. Condren, as Lessor.

(b) Assignment of Master Agreement and Agreement dated as of October 26, 1987, by and between William J. Condren, as Owner, and Citibank, N.A., as Assignee.

3.(a) Lease of Railroad Agreement dated as of September 1, 1987, between William J. Condren, as Lessor, and Northwestern Oklahoma Railroad Co., as Lessee.

MOTOR OPERATING UNIT

NOV 12 12 33 PM '87

THE SECRETARY  
ICC OFFICE OF

ALLEN F. MAULSBY  
STEWARD R. BROSS, JR.  
HENRY P. RIORDAN  
JOHN R. HUPPER  
SAMUEL C. BUTLER  
WILLIAM J. SCHRENK, JR.  
BENJAMIN F. CRANE  
JOHN F. HUNT  
GEORGE J. GILLESPIE, III  
THOMAS D. BARR  
MELVIN L. BEDRICK  
GEORGE T. LOWY  
ROBERT ROSENMAN  
JAMES H. DUFFY  
ALAN J. HRUSKA  
JOHN E. YOUNG  
JAMES M. EDWARDS  
DAVID O. ORMSBY  
DAVID L. SCHWARTZ  
RICHARD J. HIEGEL  
FREDERICK A.O. SCHWARZ, JR.  
CHRISTINE BESHAR  
ROBERT S. RIFKIND  
DAVID BOIES  
DAVID O. BROWNWOOD  
PAUL M. DODYK  
RICHARD M. ALLEN  
THOMAS R. BROME  
ROBERT D. JOFFE  
ROBERT F. MULLEN  
HERBERT L. CAMP  
ALLEN FINKELSON

RONALD S. ROLFE  
JOSEPH R. SAHID  
PAUL C. SAUNDERS  
MARTIN L. SENZEL  
DOUGLAS D. BROADWATER  
ALAN C. STEPHENSON  
JOSEPH A. STUWART  
MAX R. SHULMAN  
STUART W. GOLD  
JOHN W. WHITE  
JOHN E. BEERBOWER  
EVAN R. CHESLER  
PATRICIA GEOGHEGAN  
D. COLLIER KIRKHAM  
MICHAEL L. SCHLER  
DANIEL R. SHAWHAN  
KRIS F. HEINZELMAN  
B. ROBBINS KIESSLING  
ROGER D. TURNER  
PHILIP J. WITTO  
RORY O. WILSON  
NEIL R. WESTREICH  
FRANCIS P. BARRON  
RICHARD W. OST  
WILLIAM A. ROGERS, JR.  
JAMES D. COOPER  
STEPHEN L. GORDON  
ROBERT A. HINDLER  
DANIEL L. JOFFEY  
GREGORY M. BRAW  
PETER J. WILSON

*Handwritten signature: W. H. Swaine*

(b) Assignment of Lease and Agreement dated as of October 26, 1987, by and between William J. Condren, as Owner, and Citibank, N.A., as Assignee.

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

1. Owner-Lessor

William J. Condren  
450 Park Avenue  
New York, New York 10022

2. Secured Party - Assignee

Citibank, N.A.  
153 East 53rd Street  
New York, N.Y. 10043

3. WeyCan

Weyerhaeuser Canada Ltd.  
Mission Flats Road  
Kamloops, British Columbia V2C 5M7  
CANADA

4. Guarantor

Weyerhaeuser Company  
Tacoma, WA 98447

5. Lessee

Northwestern Oklahoma  
Railroad Company  
125 East Lake Street  
Bloomington, Illinois 60108

Please file and record the documents referred to in this letter and index them under the names of Owner-Lessor, Secured Party-Assignee, WeyCan, Guarantor and Lessee.

The Cars covered by the Security Agreement and the Lease are listed in Exhibit A attached hereto.

Enclosed is our check for \$30 for the required recordation fee. Please accept for recordation one counter-part of each of the enclosed agreements, stamp the remaining

counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,

*Laurance V. Goodrich*

Laurance V. Goodrich  
as Agent for  
Northwestern Oklahoma  
Railroad Company

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

encls.

## EXHIBIT A

Schedule A  
to  
Security Agreement

## EQUIPMENT SCHEDULE

<u>Number of Cars</u>	<u>Description</u>	<u>AAR Designation</u>	<u>Car Markings (inclusive)</u>
100	73-foot 100-ton Center Beam Thrall Flatcars	FBS	NOKL 8200-8299

1 5375/c  
REGISTRATION NO. 5375/c FILED 1428

NOV 12 1987 - 12 40 PM

LEASE OF RAILROAD EQUIPMENT

INTERSTATE COMMERCE COMMISSION

AGREEMENT dated as of September 1, 1987 between WILLIAM J. CONDREN ("Lessor") and NORTHWESTERN OKLAHOMA RAILROAD CO., a corporation with a mailing address of 125 East Lake Street, Suite 100, Bloomingdale, Illinois 60108 ("Lessee").

RECITALS

Lessee desires to lease from Lessor certain railroad cars hereinafter specifically designated, all upon rentals, terms and conditions set forth in this Railroad Car Lease Agreement (hereinafter referred to as the "Lease").

AGREEMENT

It is agreed:

1. Lease of Cars. Lessor agrees to lease to Lessee and Lessee agrees to and does hereby lease from Lessor, railroad cars of the number of units, model type, construction and such other description ("Cars") as is set forth in Schedule 1 attached hereto and by this reference made a part hereof as set forth in Schedules which may from time to time be added to this Lease and thereby made a part hereof. The Lease shall become effective as to any Car immediately upon placement in interchange service and shall continue on all Cars so delivered or Cars which are substituted for such Cars that are delivered until terminated by Lessor or Lessee by 60-day written notice following the termination of this agreement which termination shall occur on December 1, 1997. It is understood that the Cars will initially be assigned by Lessee to the Canadian Pacific Railroad ("CP") for that Company to provide the Cars to Weyerhaeuser Canada Ltd. at lumber mills in the Province of British Columbia, Canada pursuant to agreements with Lessor. Thereafter, assignments will be made at any time and from time to time by the Lessee as requested and directed by the Lessor. Lessor shall have the Cars initially delivered to CP at interchange locations at either Portal, North Dakota, or Emerson, Manitoba at no cost to NOKL.

2. Rental. Lessee shall pay to Lessor an amount equal to all hourly, mileage, incentive, demurrage, AAR

depreciated value payments and all other payments ("Payments") which Lessee is entitled to receive from all the railroad companies by reason of the utilization of the Cars on such other railroad companies' lines as set out in the Interchange Rules and which actually have been collected by Lessee less the amount per month or any part of a month, per Car retainable by Lessee pursuant to Paragraph 4.

3. Payment. Lessee shall make payment of all sums due hereunder to Lessor at such places as Lessor may from time to time direct. Lessee shall furnish to Lessor a report of all Payments to which it has become entitled by the use of such Cars on the lines of other railroads as soon after each calendar month as possible and in any event within 70 days after the end of each calendar month. Payment of the amount of the rental due hereunder shall be made at the same time such reports are furnished.

4. Servicing and Fee. Lessee will exert its best efforts to collect and police all Payments due to Lessee from other railroad lines by reason of the utilization of the Cars on such other railroad lines but shall not be responsible in the event any such amounts are not collected. Lessee will diligently process all claims against other railroads who fail to pay promptly the proper Payments required to be paid to Lessee by reason of the Interchange Rules. Lessee will also assist Lessor in the preparation of any damage claims which Lessor may have because of any damages that may occur to the Cars during the term of this Lease. Lessor hereby agrees with Lessee that Lessee may deduct from the rental due to Lessor by reason of Paragraph 2 of this Lease an amount equal to \$8 until the fifth anniversary of the date of the delivery of the last Car and \$12 thereafter, per month, per Car or any part thereof. A one-time initial fee of \$500 will be paid to Lessee by Lessor to cover initial filing and accounting start-up costs within 15 days after the execution of this Agreement. Such deductions shall be shown upon the reports due from Lessee to Lessor as required in Paragraph 3 of this Lease. To facilitate the above, Lessee will place its reporting marks on the Cars at Lessor's expense. Cars under the Lease that are placed in storage from time to time shall be the responsibility of Lessor and all transportation and storage costs shall be paid by Lessor to Lessee.

5. Repairs. Lessee shall promptly notify Lessor when any Car requires heavy repair and all such repair costs shall be the responsibility of Lessor. At Lessor's direction Lessee will arrange for such repairs and, if Lessor

fails to give Lessee direction to have the Car repaired, this Lease shall thereby be terminated as to that Car. Repair costs arising from Interchange Rules will be the responsibility of Lessor. All billings for all repairs will be paid by Lessee and deducted from amounts payable to Lessor pursuant to this Lease and in the event such amounts are insufficient Lessor will pay to Lessee on receipt of notice the amount of such deficiency.

6. Substitution or Termination of Cars. Lessor may, at any time and from time to time, replace any Car and substitute therefor a replacement Car which shall thereafter be treated in the same manner as if the replacement Car had been the Car originally furnished. Lessor may, at any time and from time to time terminate this Lease as to any Car covered by this Agreement. Lessor shall pay all costs of placing and/or removing Cars to and from assignments during the term of this Lease.

7. Taxes. As between Lessor and Lessee, Lessor will be liable for all Federal, state or other governmental taxes imposed or duties assessed or levied against the Cars; and if Lessee is assessed for any such taxes, Lessor will either pay such Taxes on demand of Lessee or contest the same and in such event Lessor will hold Lessee harmless.

8. Assignment and Subletting. Lessee shall not have the right to assign, sublease or loan the Cars, except in accordance with the direction of Lessor.

9. Liens. Lessee shall keep the Cars free from any and all encumbrances or liens in favor of anyone claiming by, through or under Lessee, other than those which arise out of repairs performed under Interchange Rules, which may be a cloud upon or otherwise affect Lessor's title, including, but not limited to, liens or encumbrances which arise out of any suit involving Lessee, or any act or omission of Lessee or Lessee's failure to comply with the provisions of this Lease and Lessee shall promptly discharge any such lien, encumbrance or legal process.

10. Indemnity. Lessor agrees to indemnify Lessee and hold it harmless from any loss, expense or liability which Lessee may suffer or incur from any charge, claim, proceeding or other event which in any manner or from any other cause arises in connection with the use, possession or operation of a Car while subject to this Lease excepting Lessee's responsibility as outlined by the Interchange Rules

while any Car is on Lessee's right-of-way or upon specific Agreement herein contained.

11. Change of Assignment of Cars. The Lessor will have the right upon ten (10) days' written notice to change assignments with respect to any Car covered by the Lease and Lessor shall pay all costs of such changes.

12. Expiration of Lease. Upon expiration of this Lease with respect to any Car, or as to all the Cars, Lessee will exert its best efforts to obtain a Car Service Rule Five movement and surrender possession by delivering Car or Cars to a designated point as directed by Lessor. All costs of such redelivery shall be the responsibility of Lessor.

13. Default. If Lessee shall fail to make any payment required under this Lease within 20 days after same shall have become due or shall default or fail for a period of 20 days in the due observance or performance of any covenant, condition or agreement, required to be observed or performed on its part under this Lease, or if a proceeding shall have been commenced by or against Lessee under any bankruptcy laws, Federal or state, or for the appointment of a receiver, assignee or trustee of Lessee or its property or if Lessee shall make a general assignment for the benefit of creditors, then and in any of said events Lessor may at its election terminate this Lease by written notice to such effect and retake the Cars and thereafter recover as any exclusive remedy liquidated damages of \$10,000 for loss of a bargain and not as a penalty in addition to all rental unpaid as of said date.

14. Sublease and Assignment. All rights of either party under this Lease may be assigned, pledged, mortgaged, transferred or otherwise disposed either in whole or in part with the consent of the other party. In the event Lessor refuses to grant its consent to a request by Lessee to an assignment or transfer of Lessee's rights, the Lessee shall have the right to terminate this Lease on sixty days notice.

15. Representations of the Lessee. The Lessee represents to the Lessor as follows:

(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has corporate power and has taken all corporate action necessary to enter into this Lease and carry out its obligations hereunder;

(b) this Lease has been duly executed on behalf of Lessee and constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

(c) the Cars which are then subject to the Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under Lessee; and

(d) no governmental, administrative or judicial authorization, permission, consent, or approval or recording is necessary on the part of Lessee in connection with this Lease or any action contemplated on its part hereunder.

At the Closing under an agreement between the Lessor and a financial institution ("Lender"), the Lessee will deliver to the Lender (i) a certificate of an officer of the Lessee dated as of the Closing Date to the effect that the foregoing representations and warranties of the Lessee are true and correct as of said date and that the Lender may rely on the same as if made directly to the Lender and (ii) an opinion of counsel for the Lessee addressed to the Lender to the effect set forth in subparagraphs (a) through (d) of this Section.

16. Notice. Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

Mr. William J. Condren  
450 Park Avenue  
New York, N.Y. 10022

or at such other addresses as Lessor may from time to time designate by such notice in writing to Lessee at the address first above written or any such other address as Lessee may from time to time designate by notice in writing.

17. Governing Law; Writing. The terms of this Lease and all rights and obligations under this Lease shall be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by

agreement in writing signed by the party against whom enforcement of such change or termination is sought.

18. Counterparts. This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which may be evidenced by any such signed counterpart.

19. Severability; Waiver. If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of Lessor to exercise any rights under this Lease shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

20. Terminology. In constructing any language contained in this Lease, no references shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

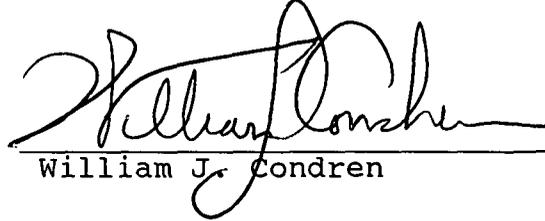
21. Definition. For all purposes of this Lease, "Interchange Rules" shall have the following meaning:

"Interchange Rules"--all codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

22. Benefit. Except as otherwise provided in this Lease, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefits of the

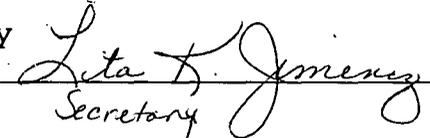
parties and (to the extent permitted) their successors and assigns.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Railroad Car Lease Agreement as of the day and year first above written.

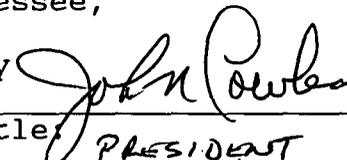
  
\_\_\_\_\_  
William J. Condren

[Corporate Seal]

Attest:

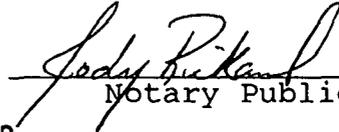
by   
\_\_\_\_\_  
Secretary

NORTHWESTERN OKLAHOMA  
RAILROAD CO.,  
Lessee,

by   
\_\_\_\_\_  
Title: PRESIDENT

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

On this 19<sup>th</sup> day of October 1987, before me personally appeared WILLIAM J. CONDREN, to me personally know, who, being by me duly sworn, says that he executed the foregoing instrument for the consideration and purposes therein expressed.

  
Notary Public

[Notarial Seal]

My Commission expires

JODY RICKARD  
Notary Public, State of New York  
No. 31-489678  
Qualified in New York County  
Commission Expires May 26, 1989

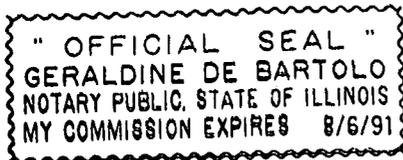
STATE OF ILLINOIS, )  
 ) ss.:  
COUNTY OF COOK, )

On this 22<sup>nd</sup> day of October 1987, before me personally appeared John N. Cowles, to me personally known, who, being by me duly sworn, says that he is the President of NORTHWESTERN OKLAHOMA RAILROAD CO. 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 and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

[Notarial Seal]

My Commission expires



[CON2]  
SCHEDULE I  
To  
Lease of  
Railroad Equipment

Equipment Description

<u>Number of Cars</u>	<u>Description</u>	<u>AAR Designation</u>	<u>Car Number(s)</u>
100	73 foot, 100-Ton Thrall center beam flatcars	FBS	NOKL 8200- 8299