

SIDLEY & AUSTIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1722 EYE STREET, N.W.
WASHINGTON, D.C. 20006

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TELEX 89-463

ONE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603
312: 853-7000 TELEX 25-4364

2049 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
213: 553-8100 TELEX 18-1391

520 MADISON AVENUE
NEW YORK, NEW YORK 10022
212: 418-2100 TELEX 97-1696

31 ST. JAMES'S SQUARE
LONDON, SW1Y 4JR, ENGLAND
44-1: 930-5596 TELEX 21781

P.O. BOX 190
MUSCAT, SULTANATE OF OMAN
968: 722-411 TELEX 5266

P.O. BOX 4619
DEIRA, DUBAI-U.A.E.
9714-283194 TELEX 47216

5 SHENTON WAY
SINGAPORE 0106
65: 224-5000 TELEX 28754

P.O. BOX 8650
RIYADH, SAUDI ARABIA
966-1-463-4160 TELEX 204947

SIDLEY & AUSTIN & NAGUIB
AHMED NESSIM STREET, 3
GIZA, CAIRO, EGYPT
202: 729-499 TELEX 93750

RECORDATION NO. 14716
JUN 28 1985 10 11 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 14716
JUN 28 1985 10 11 AM
INTERSTATE COMMERCE COMMISSION

June 28, 1985

5-179A030

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Room 2215
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

No.
Date JUN 28 1985
Fee \$ 00.00
ICC Washington, D. C.

Dear Mr. Bayne:

Enclosed herewith are an original and one copy of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

The first document is a lease agreement, a primary document, dated June 19, 1985.

The names and addresses of the parties to the Lease of Railroad Equipment are as follows:

Lessor: CONTAINER PORT OF ALBERTA
RESEARCH CORPORATION
2737 Toronto Dominion Tower
Edmonton, Alberta, CANADA
T5J 2Z1

Lessee: CANADIAN NATIONAL RAILWAY COMPANY
935 de La Gauchetiere Street West
Montreal, Quebec, CANADA
H3B 2M9

100 OFFICE OF
THE SECRETARY
JUN 28 9 51 PM '85
MOTOR OPERATING UNIT

*(1) Enclosed
J. A. Kuster*

Mr. James H. Bayne
June 28, 1985
Page 2

The second document is an assignment of lease agreement, a secondary document, dated June 19, 1985. We request that this assignment be cross-indexed.

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

Owner-Lessor:	CONTAINER PORT OF ALBERTA RESEARCH CORPORATION 2737 Toronto Dominion Tower Edmonton, Alberta, CANADA T5J 2Z1
Trustee:	THE CANADA TRUST COMPANY 110 Yonge Street Toronto, Ontario, CANADA M5C 1T4
Lessee:	CANADIAN NATIONAL RAILWAY COMPANY 935 de La Gauchetiere Street West Montreal, Quebec, CANADA H3B 2M9

A description of the equipment covered by the Lease of Railroad Equipment and the Assignment of Lease follows:

Type of Equipment:	Five-Pak Articulated Intermodal Budd/Thrall LO-PAC 2000 Well Flat Cars
Specifications:	CN Freight Equipment General Specification SS-1974 revised July, 1976, CN Specification F 50-20 dated September, 1984, Builder's Proposal dated 22 October, 1984, and Builder's letters of 22 October (2), 26 October, 8 November, 1984, 7, 8, 15 January, 6 February, and 12 March, 1985 and CN letter of 4 February, 1985.
Quantity:	82
Identification Marks:	"OWNERSHIP SUBJECT TO SECURITY AGREEMENTS FILED WITH REGISTRAR GENERAL OF CANADA AND I.C.C."

Mr. James H. Bayne
June 28, 1985
Page 3

Lessee's Road CN 683200 through CN 683589;
Numbers (Both CN 637000 through CN 637019
Inclusive)*:

A fee of \$10.00 is enclosed. Please return the originals after recordation to the undersigned at the address listed above.

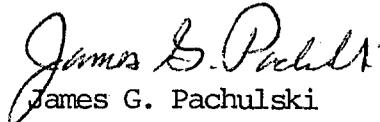
A short summary of the Lease of Railroad Equipment to appear in the index follows:

"Lease agreement between CANADIAN NATIONAL RAILWAY COMPANY, 935 de La Gauchetiere Street West, Montreal, Quebec, Canada, H3B 2M9 and CONTAINER PORT OF ALBERTA RESEARCH CORPORATION, 2737 Toronto Dominion Tower, Edmonton, Alberta, Canada, T5J 2Z1, dated June 19, 1985, covering 82 well flat cars."

A short summary of the Assignment of Lease to appear in the index follows:

"Assignment between CONTAINER PORT OF ALBERTA RESEARCH CORPORATION, 2737 Toronto Dominion Tower, Edmonton, Alberta, Canada, T5J 2Z1, and THE CANADA TRUST COMPANY, 110 Yonge Street, Toronto, Ontario, Canada, M5C 1T4, dated June 19, 1985, covering 82 well flat cars, and connected to Lease of Railroad Equipment with Recordation No. _____."

Very truly yours,


James G. Pachulski

Enclosures

* Each unit has 5 platforms and each platform is numbered consecutively.

Interstate Commerce Commission
Washington, D.C. 20423

6/28/85

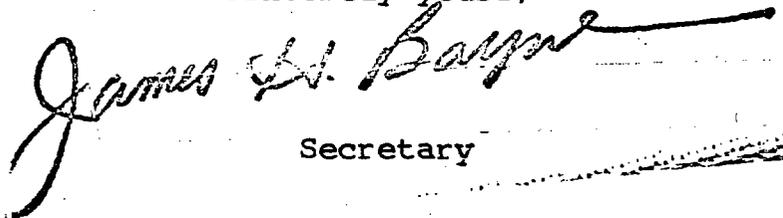
OFFICE OF THE SECRETARY

James G. Pachulski
Sidley & Austin
1722 Eye St. N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/28/85 at 10:55am and assigned re-
recording number(s). 14716 & 14716-A, 14718 & 14718-A 14717 & 14719

Sincerely yours,


Secretary

Enclosure(s)

14716/14

RECORDATION NO. Filed 1425

JUN 28 1985 - 10 55 AM
INTERSTATE COMMERCE COMMISSION

EXHIBIT D
to
Participation Agreement

ASSIGNMENT OF LEASE

Dated as of June 19, 1985

Among

CONTAINER PORT OF ALBERTA RESEARCH CORPORATION

and

THE CANADA TRUST COMPANY

and

CANADIAN NATIONAL RAILWAY COMPANY

ASSIGNMENT OF LEASE dated as of June 19, 1985, among CONTAINER PORT OF ALBERTA RESEARCH CORPORATION, a body corporate duly existing under the laws of Canada (the "Owner-Lessor"), THE CANADA TRUST COMPANY, a trust company duly existing under the laws of Canada, as trustee and not in its personal capacity, (the "Trustee") and CANADIAN NATIONAL RAILWAY COMPANY, a body corporate duly existing under the laws of Canada (the "Lessee").

WHEREAS:

The Owner-Lessor will enter into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") with the Lessee, substantially in the form of Exhibit B to that Participation Agreement dated as of the date hereof (the "Participation Agreement") among the Lessee, the Owner-Lessor, the Trustee, National Steel Car Limited (the "Builder") and London Life Insurance Company (the "Lender"), wherein the Owner-Lessor has agreed to lease to the Lessee the units of railroad equipment (the "Equipment") described in Schedule A to the Lease. The Equipment will be purchased and sold pursuant to a Conditional Sale Agreement dated as of the date hereof (the "CSA") between the Builder and the Owner-Lessor.

The Trustee is acting as trustee under a Deed of Trust dated as of the date hereof (the "Deed of Trust") executed between the Owner-Lessor and the Trustee, substantially in the form of Exhibit E to the Participation Agreement, pursuant to which Deed of Trust the Trustee will issue the Secured Equipment Notes, as same are defined therein.

The Owner-Lessor desires to assign to the Trustee, as collateral security for its obligations under the CSA and for the due payment of the Secured Equipment Notes, its right, title and interest in and to the Lease, including all rental payments (pursuant to Section 3 thereof) and payments of Casualty Values (pursuant to Section 7 thereof) (together hereinafter referred to as the "Assigned Rentals").

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (this "Lease Assignment") WITNESSETH: that in consideration of the mutual promises, covenants and agreements herein contained the parties hereto agree as follows:

SECTION 1. Assignment. The Owner-Lessor hereby assigns, transfers and sets over unto the Trustee, its successors and assigns, the Lessee expressly consenting thereto, all the right, title and interest of the Owner-Lessor in and with respect to the Lease and the Assigned Rentals, subject to the terms of the said Lease.

This Lease Assignment is made by the Owner-Lessor as a general and continuing collateral security for the obligations of the Owner-Lessor under the CSA in favour of the Trustee in virtue of the CSA Assignment, and for the due payment of the Secured Equipment Notes in accordance with their terms. This Lease Assignment will terminate upon payment in full of the Secured Equipment Notes and all amounts owing to the Trustee under the Deed of Trust.

In furtherance of the foregoing assignment and transfer, the Owner-Lessor hereby authorizes and empowers the Trustee, in the Trustee's own name, or in the name of the Trustee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Owner-Lessor to ask, demand, sue for, collect, receive and enforce any and all sums to which the Trustee is or may become entitled under this Lease Assignment and compliance by the Lessee with the terms and agreements on its part to be performed under the Lease.

SECTION 2. Covenants of the Lessee. The Lessee hereby agrees that:

- a) it acknowledges receipt of a copy of the Deed of Trust and that it consents to all the terms and conditions pertaining to this Lease Assignment contained therein and that it has not and will not make any prepayment of rental payment, subject to its rights under Sections 7 and 15 of the Lease;
- b) so long as the Secured Equipment Notes and all other amounts owing to the Trustee under the Deed of Trust have not been paid in full, it will pay all Assigned Rentals directly to the Trustee pursuant to Section 5 hereof;
- c) so long as the Secured Equipment Notes and all other amounts owing to the Trustee under the Deed of Trust have not been paid in full, the Lessee has the absolute and unconditional obligation to pay to the Trustee the rental with respect to each Unit (as defined in the Lease) in accordance with Section 3 of the Lease for the full term of the

Lease notwithstanding any defect in or damage to or loss of possession or use or destruction of such Unit; except that in respect of any Unit which suffers a Casualty Occurrence and in respect of which the Lease is terminated, the Lessee has the absolute and unconditional obligation to pay the Casualty Value as provided in Section 7 of the Lease and except in the event that the Lessee exercises an option provided in Section 15 of the Lease;

- d) it will cause this Lease Assignment to be filed in accordance with Section 16 of the Lease. The Lessee will promptly furnish to the Trustee and the Owner-Lessor evidence of all such filing, registering, depositing, recording and other acts which may be required under this Section;
- e) the Trustee is entitled to receive the benefits and enforce the performance of all the covenants to be performed by the Lessee under the Lease as though the Trustee were named therein as Lessor, and the Lessee hereby expressly confirms the indemnities provided in Sections 6 and 9 of the Lease in favour of the Trustee as if fully set forth herein;
- f) should the Lessee exercise its option to purchase the Equipment pursuant to the second paragraph of Section 15 of the Lease, the Lessee shall become directly liable for all the payments to be made under the Secured Equipment Notes, such assumption by the Lessee being the price payable by it to exercise such option; and
- g) the Trustee shall not be liable to observe or perform any of the covenants and obligations of the Lessor under the Lease other than the Lessor's obligation not to disturb the Lessee's right to quiet enjoyment, use and possession of the Equipment so long as no Event of Default (as defined in the Lease) shall have occurred and be continuing.

SECTION 3. Covenants of the Trustee. The Trustee hereby agrees:

- a) to apply the Assigned Rentals paid to it under this Lease Assignment first to the payment of the instalments of principal and interest on the Secured Equipment Notes as same severally fall due until all indebtedness in respect of the Secured

Equipment Notes has been repaid in full and all other obligations under the Deed of Trust have been satisfied, the whole pursuant to the terms of the Deed of Trust;

- b) to hold all monies deposited with it pursuant hereto, the rights, property in and title to the Equipment, and any payment received by it pursuant to this Lease Assignment in trust as provided in the Deed of Trust;
- c) that should, in the event of a Casualty Occurrence (as defined in Section 7 of the Lease), the Lessee acquire property in and title to a unit of the Equipment, the amount paid pursuant to the said Section 7 shall be applied to retire that portion of the principal of the debt represented by the Secured Equipment Notes as set forth in the Deed of Trust, and that rental for such unit will cease to accrue as of the date of such payment, provided the full amount required to be paid pursuant to said Section 7 is so paid. The Trustee shall, after receipt of such full payment by it, execute and deliver to the Lessee or its assignee or nominee a statement to the effect that the title to such unit is free and clear of all liens, security interests and other encumbrances arising through the Trustee;
- d) that should the Lessee exercise its option to purchase a unit of the Equipment pursuant to the first paragraph of Section 15 of the Lease, the Trustee will apply the amount paid to it pursuant to said paragraph as contemplated in the Deed of Trust and, furthermore, the Trustee will execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a statement to the effect that the title to such unit is free and clear of all liens, security interests and other encumbrances arising through the Trustee; and
- e) that should the Lessee exercise its option to purchase a unit of the Equipment pursuant to the second paragraph of Section 15 of the Lease, the Lessee shall become directly liable for all the payments to be made under the Secured Equipment Notes, such assumption by the Lessee being the price payable by it to exercise such option.

SECTION 4. Covenants of the Owner-Lessor. The Owner-Lessor hereby agrees that:

- a) that so long as no Event of Default (as defined in Section 10 of the Lease) shall have occurred and be continuing, it will not exercise any right under the Lease without first obtaining the consent in writing of the Trustee for the exercise of such right;
- b) that, notwithstanding this Lease Assignment, it will perform and fully comply with every obligation contained in the Lease which, according to its terms or its context, is intended to survive an assignment;
- c) this Lease Assignment does not in any way diminish or otherwise modify the obligations of the Owner-Lessor with respect to the Secured Equipment Notes as those obligations are set forth in the Deed of Trust; and
- d) it will remain liable to observe and perform all of its covenants and obligations under the Lease notwithstanding this Lease Assignment.

SECTION 5. Default. In the event of a Declaration of Default (as defined in the CSA), the security hereby constituted will become enforceable. In addition to the other remedies which the Trustee may exercise under the CSA, the Trustee may, at its option:

- a) without the necessity of having to realize on the Lease by way of sale, continue to collect all amounts thereunder and hereunder and exercise the Lessor's rights thereunder; or
- b) subject to the rights of the Lessee under the Lease, sell the Lease contemporaneously with the sale of the Equipment.

SECTION 6. Addresses. All payments to be made hereunder to the Trustee shall be deposited with The Canada Trust Company in account #010-512285 designated as "The Canada Trust Company - Trustee, Secured Equipment Notes", at its offices in Montréal, Toronto or London, Ontario. All documents deliverable hereunder to the Trustee shall be delivered to it at 110 Yonge Street, Toronto, Ontario, M5C 1T4, Attention of Manager Corporate Trust Department, or as the Trustee may otherwise specify.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 935 de La Gauchetiere St. W., Montréal, Québec, H3B 2M9, Attention of Treasurer.

All documents and funds deliverable hereunder to the Owner-Lessor shall be delivered to it at 2737 Toronto Dominion Tower, Edmonton, Alberta, T5J 2Z1, Attention of President.

SECTION 7. Execution. This Lease Assignment may be executed in any number of counterparts, but the counterpart delivered to the Lessee shall be deemed to be the original counterpart. Although for convenience this Lease Assignment is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written.

CANADIAN NATIONAL RAILWAY COMPANY

[Corporate Seal]



by: John H. Munn
Senior Vice President and Chief
Financial Officer

by: [Signature]
Deputy Secretary

THE CANADA TRUST COMPANY

[Corporate Seal]

by: _____

by: _____

CONTAINER PORT OF ALBERTA RESEARCH CORPORATION

[Corporate Seal]

by: _____

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 935 de La Gauchetiere St. W., Montréal, Québec, H3B 2M9, Attention of Treasurer.

All documents and funds deliverable hereunder to the Owner-Lessor shall be delivered to it at 2737 Toronto Dominion Tower, Edmonton, Alberta, T5J 2Z1, Attention of President.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written.

CANADIAN NATIONAL RAILWAY COMPANY

[Corporate Seal]

by: _____

by: _____

THE CANADA TRUST COMPANY

[Corporate Seal]

by: _____

AUTHORIZED SIGNATURE

by: _____

AUTHORIZED SIGNATURE

CONTAINER PORT OF ALBERTA RESEARCH CORPORATION

[Corporate Seal]

by: _____

APPROVED AS TO FORM AND CONTENT

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 935 de La Gauchetiere St. W., Montréal, Québec, H3B 2M9, Attention of Treasurer.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written.

CANADIAN NATIONAL RAILWAY
COMPANY

[Corporate Seal]

by: _____

by: _____

THE CANADA TRUST COMPANY

[Corporate Seal]

by: _____

by: _____

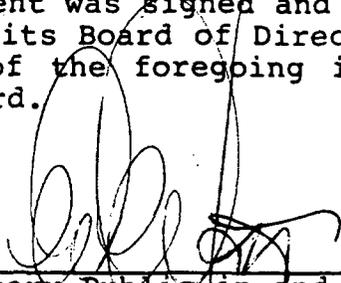
CONTAINER PORT OF ALBERTA
RESEARCH CORPORATION

[Corporate Seal]

by:  _____

PROVINCE OF QUEBEC)
) ss.:
CITY OF MONTREAL)

On this June 19, 1985, before me personally appeared Yvon H. Masse, to me personally known, who, being by me duly sworn, says that he is the Senior Vice-President and Chief Financial Officer of Canadian National Railway Company, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board 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 Board.



(Notarial Seal)

Notary Public in and for the
Province of Ontario

PROVINCE OF)
) ss.:
CITY OF)

On this _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of THE CANADA 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.

Notary Public

(Notarial Seal)

My Commission Expires



PROVINCE OF ONTARIO)
)
CITY OF TORONTO)
)

On this _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is of Canadian National Railway Company, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that the said instrument was signed and sealed on behalf of the 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 the said corporation.

Notary Public

(Seal)
My Commission expires _____

PROVINCE OF ONTARIO)
)
CITY OF TORONTO)
)

On this 19th day of June, 1985, before me personally appeared Eva Lusky, to me personally known, who, being by me duly sworn, says that she is Corporate Trust Officer of The Canada Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that the said instrument was signed and sealed on behalf of the said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of the said corporation.



Notary Public

(Seal)
My Commission does not
expire _____

PROVINCE OF ALBERTA ,)
CITY OF EDMONTON) s.s.:

On this 19 JUNE 1985 , before me personally appeared A. TOTTUP , to me personally known, who, being by me duly sworn, says that he is PRESIDENT of CONTAINER PORT OF ALBERTA RESEARCH CORPORATION, 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.



Notary Public

[Notarial Seal]

My Commission expires

PROVINCE OF ONTARIO)
)
CITY OF TORONTO)
)

On this _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of Canadian National Railway Company, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that the said instrument was signed and sealed on behalf of the 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 the said corporation.

Notary Public

(Seal)
My Commission expires

PROVINCE OF ONTARIO)
)
CITY OF TORONTO)
)

On this 19th day of June, before me personally appeared Marjorie Strutt, to me personally known, who, being by me duly sworn, says that she is Senior Corporate Trust Officer of The Canada Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of the corporation, that the said instrument was signed and sealed on behalf of the said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of the said corporation.



Notary Public

(Seal)
My Commission does not
expire

District of Columbia)
)
City of Washington)

I, Kathleen L. Smith, a notary public for the District of Columbia, do hereby swear that on this 27th day of June, 1985, I have compared a copy of the original document entitled "Assignment of Lease dated as of June 19, 1985 among Container Port of Alberta Research Corporation and The Canada Trust Company and Canadian Railway Company" and found the copy to be complete and identical in all respect to the original document.



Notary Public

My Commission Expires May 14, 1990