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*NOT ADMITTED IN D. C.

November 20, 1986

RECORDATION NO. 1 5103 Filed & Recorded

NOV 20 1986 12-4 5 PM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Date: 11/20/86
Time: 10:00
ICC Washington, D.C.

Attention: Documents for Recordation

Dear Secretary:

I have enclosed an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease, a primary document dated November 7, 1986.

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

Lessor: First Security Bank of Utah, N.A.
Corporate Trust Department
79 South Main Street
Salt Lake City, Utah 84111

Lessor: Chemical Bank Canada Leasing Limited
150 York Street, Suite 1900
Toronto, Ontario
Canada M5H 3S5

Lessee: Canadian National Railway Company
935 de La Gauchetiere Street, W.
Montreal, Quebec
Canada H3B 2M9
Attention: Treasurer

*Quantity Park
Kendrick J. Davis*

HAMEL & PARK

Secretary
Interstate Commerce Commission
November 20, 1986
Page 2

A description of the equipment covered by the document follows:

363 Covered Hopper Railroad Cars and
Anti-Corrosive Linings therein
AAR Mechanical: LO
Identifying Marks:
CN 383000 - 383097, inclusive
CN 383100 - 383314, inclusive
CN 383318 - 383367, inclusive

A fee of \$10.00 is enclosed.

Please return the original and any extra copies not needed by the Commission for recordation to William H. Bradford, Jr., Hamel & Park, 888 - 16th Street, N.W., Washington, D.C. 20006.

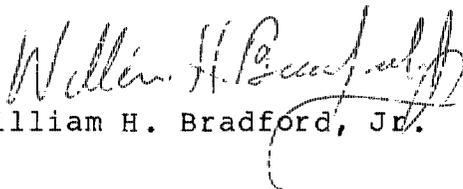
A short summary of the document to appear in the index follows:

Lease between First Security Bank of Utah, N.A., lessor, Corporate Trust Department, 79 South Main Street, Salt Lake City, Utah 84111, and Chemical Bank Canada Leasing Limited, lessor, 150 York Street, Suite 1900, Toronto, Ontario, Canada M5H 3S5, and Canadian National Railway Company, lessee, 935 de La Gauchetiere Street, W., Montreal, Quebec, Canada H3B 2M9, 363 covered hopper cars and anti-corrosive linings therein, AAR designation LO, dated November 7, 1986.

Very truly yours,

HAMEL & PARK

By:


William H. Bradford, Jr.

WHB:pb
Enclosures

cc: David Bekhor, Esquire

Interstate Commerce Commission
Washington, D.C. 20423

11/20/86

OFFICE OF THE SECRETARY

William H. Bradford, Jr.
Hamel & Park
888 16th 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 11/20/86 at 12:45pm, and assigned re-
recording number(s). 15102

Sincerely yours,

Norita R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

NOV 20 1986 12-4 5 PM

LEASE AGREEMENT

THIS LEASE AGREEMENT made as of November 7, 1986 INTERNATIONAL COMMERCE COMMISSION
First Security Bank of Utah, N.A. ("Lessor"), as trustee
under a trust agreement dated as of the day hereof with the
beneficiaries as defined therein ("Beneficiaries") appended
hereto as Exhibit A ("Trust Agreement"), CANADIAN NATIONAL
RAILWAY COMPANY ("Lessee") and CHEMICAL BANK CANADA LEASING
LIMITED ("Chemical").

1. SCOPE

- 1.1 Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, on a net lease basis, three hundred and sixty-three (363) covered hopper cars as described in Exhibit B attached hereto. Said covered hopper cars shall be in AAR interchange condition and shall comply in all respects with the requirements and specifications set out in Exhibit B. Covered hopper cars subject to this Lease Agreement shall hereinafter be referred to as "Car(s)".
- 1.2 All Cars shall be tendered to Lessee for delivery and acceptance at the rate of not less than ten (10) Cars per week. Such delivery and acceptance shall be evidenced by certificates of acceptance pursuant to Paragraph 3.3. Subject to Paragraph 3.3, all Cars shall be accepted by Lessee by February 1, 1987, except as Lessor and Lessee may otherwise agree in writing.

2. TERM

Subject to the renewal and purchase options contained in Paragraphs 20 and 21, this Lease Agreement shall be for a term of years, hereinafter referred to as "Lease Year(s)", the first of which shall commence on the date on which the last Car is delivered and accepted hereunder pursuant to Paragraph 3.3 (the "Commencement Date") and the last of which shall terminate at the expiration of the tenth Lease Year. All of the terms and provisions of this Lease Agreement shall apply and be in full force and effect with respect to Cars delivered to Lessee prior to the Commencement Date.

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3. DELIVERY AND ACCEPTANCE

- 3.1 All Cars shall be delivered by Lessor to Lessee at Buffalo, New York. Lessor agrees to bear freight and transportation charges to such point. Lessor shall provide Lessee with written notice of such delivery as soon as practicable prior to such delivery.
- 3.2 Lessee has inspected, at Philadelphia, Pennsylvania, a sample of cars and, except for cars requiring heavy repairs such as those cars identified in the final paragraph of Exhibit B, and subject to the satisfactory completion of lining and restencilling pursuant to Paragraph 4 and of the repairs contemplated under Exhibit B, Lessee shall accept the cars so inspected and the balance of the cars; provided, however, that Lessee shall inspect the cars upon completion of such lining, restencilling and repairs and may reject any thereof, by written notice to Lessor, only if such cars are not in conformity with the requirements and specifications of Exhibit B after completion of such lining, restencilling and repairs. Lessee shall provide up to thirty (30) days free storage for any cars rejected hereunder and upon written notice from Lessor shall transport any such rejected cars free of charge to Buffalo, New York.
- 3.3 Acceptance of Cars by Lessee shall be evidenced by certificates of acceptance issued by a duly authorized representative of Lessee in the form attached as Exhibit C, herein referred to as "Certificate(s) of Acceptance", the issuance of which shall constitute conclusive evidence of delivery and acceptance of the Cars identified therein.
- 3.4 Lessor and Lessee shall cooperate with each other to facilitate delivery and acceptance of Cars contemplated herein.

A handwritten signature, possibly "J. L.", is written above the initials "V".

4. LINING AND RESTENCILLING

Lessor shall arrange with National Steel Car, Limited for: (i) the Cars to be restencilled pursuant to Paragraph 7.1 with Lessee's running marks and (ii) the interior of the Cars, including interior of hatch covers, to be shotblasted and thereafter lined with one coat of anti-corrosive primer paint, one coat of epoxy white primer and one coat of epoxy enamel for a dry film thickness of 7 to 8 mils, per specifications of Lessee. The cost of such restencilling and lining, including the application of interior lining stencil to the exterior of Cars, shall be borne by Chemical.

5. CANADIAN DOMESTICATION

Lessee shall have the right to assign the Cars to exclusive Canadian domestic service; provided, however, that any and all costs of Canadian domestication, including without limitation, Canadian customs duty payable pursuant to such domestication shall be borne by Chemical.

6. CONSIDERATION

6.1 Lessee shall pay rental to Lessor as follows:

6.1.1 Interim rental on a pro-rata basis at the rate of One Hundred and Thirty-nine dollars (\$139.00) per Car per month during the period between the date of acceptance pursuant to Paragraph 3.3 of each Car hereunder and the Commencement Date; such interim rental shall be payable on the Commencement Date;

6.1.2 Monthly rental at the rate of One Hundred and Thirty-Nine dollars (\$139.00) per Car commencing on the Commencement Date and terminating at the expiration of the tenth Lease Year.

6.2 Lessee shall pay rental to Chemical as follows:

6.2.1 Interim rental on a pro-rata basis at the rate of Fifty-Two dollars and twelve cents (\$52.12) per Car per month during the period between the date of acceptance pursuant to Paragraph 3.3 of each Car hereunder and the Commencement Date; such interim rental shall be payable on the Commencement Date;

6.2.2 Monthly rental of Fifty-Two dollars and twelve cents (\$52.12) per Car commencing on the Commencement Date and terminating at the expiration of the tenth Lease Year;

provided, however, that such rental shall be paid in accordance with the terms and conditions contained in Exhibit D.

6.3 Lessee shall pay as additional rent all Impositions (as that term is defined in Paragraph 10.1) required to be paid pursuant to Paragraph 10.2.

6.4 All amounts payable under Paragraphs 6.1 and 6.2 shall be paid in U.S. dollars. All amounts payable under Paragraphs 6.1.2 and 6.2.2 are payable in advance on the first business day of each month (the "Rental Payment Date") and shall be sent by mail not less than twenty (20) days prior to the Rental Payment Date; provided, however, that in the event that for any reason any such amounts are not received by Lessor or Chemical, as the case may be, by the Rental Payment Date, Lessor or Chemical, as the case may be, shall provide Lessee with written notice of such event and Lessee shall make such payment within two (2) business days by wire transfer in immediately available funds. For purposes of this Lease Agreement, the term "business day" shall mean any day other than Saturday, Sunday and any other day on which banking institutions in New York, New York, Toronto, Ontario or Montreal, Quebec are obligated to be closed.

6.5 Notwithstanding anything to the contrary contained herein, any nonpayment of rentals due to Lessor under this Lease Agreement shall result in the obligation on Lessee promptly to pay interest at a rate equal to 10% per annum for the period of time during which they are overdue.

7. MARKINGS, RECORD KEEPING, RECORDING, INSPECTIONS

7.1 Lessor will cause each Car to be restencilled with Lessee's running marks within series CN



383000-383367. Lessee will not change or permit to be changed the identifying number of the Cars or any other markings of ownership of the Cars unless and until (i) a statement of new identifying numbers or markings to be substituted therefor shall have been filed with Lessor, and filed, recorded and deposited by Lessee in all public offices where this Lease Agreement shall have been filed, recorded and deposited and (ii) Lessee shall have furnished Lessor with written confirmation to the effect that such statement has been so filed, recorded and deposited. Except as provided above, Lessee will not allow the name of any person, association or corporation to be placed on any Car as a designation that might be interpreted as a claim of ownership; provided, however, that the Cars may be lettered with the names or initials or other insignia customarily used by Lessee, its affiliates or any authorized sublessee.

- 7.2 Subject to Lessor providing Lessee with the appropriate information, Lessee shall cause each Car to be registered in the Official Equipment Register and in the Universal Machine Language Equipment Register (UMLER), and any change therein must be mutually agreed by the parties. Lessee shall maintain such records as shall be required from time to time by any applicable regulatory agency or any AAR railroad interchange agreement or rule. Lessee shall, at its own expense, cause this Lease Agreement and any assignment hereof to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. Section 11303 and deposited with the Registrar General of Canada (and notice of such deposit to be given forthwith in The Canada Gazette) pursuant to Section 86 of the Railway Act of Canada. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to Lessor's satisfaction, of Lessor's rights in the Cars, or for the purpose of carrying out the intention of this Lease Agreement. Lessee will promptly furnish to Lessor evidence of all such filing, registering, depositing and recording.


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7.3 Lessee shall, upon becoming aware thereof, immediately notify Lessor of accidents involving any Car which must be reported under AAR Rule 107 or any Canadian rule of similar application or of any attempt to attach, seize or sell any Car, giving Lessor such details as Lessor shall reasonably request. Lessee shall defend Lessor's title upon any such attempt to attach, seize or sell any Car directly attributable to or arising from any action or inaction by Lessee.

7.4 During the term of this Lease Agreement, Lessor, its officers, employees and agents, shall have reasonable access to the Cars to permit physical inspection thereof and to records pertaining thereto upon reasonable prior written notice to the Chief Mechanical Officer or Chief of Transportation depending upon the nature of the inspection; provided, however, that:

7.4.1 Such inspections shall be at the sole risk and expense of Lessor, except in the case of gross negligence or wilful misconduct of Lessee or of its employees or agents, for any damage, injury to, or the death of any persons exercising on behalf of Lessor or any prospective assignee of Lessor, the rights of inspection granted hereunder;

7.4.2 Lessor shall exert its best efforts to prevent such inspections from interfering with the normal operation and movement of the Cars; and

7.4.3 Subject to Paragraph 7.4.1, Lessor shall indemnify and save harmless Lessee from and against any liability for damage to property or bodily injury including that resulting in death sustained by any of the employees or agents of Lessor arising during the course of such inspections..

8. MAINTENANCE, ALTERATIONS, IMPROVEMENTS, ADDITIONS

8.1 Lessee shall, at its sole cost and expense maintain and repair Cars in accordance with the A.A.R. Interchange Rules and the rules and regulations of the Canadian Transport Commission and other Canadian governmental authorities having jurisdiction with respect thereto.



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8.2 Lessee shall have the right, if not in default hereunder, at its expense and without the prior written consent of or notice to Lessor, to make any addition, alteration or improvement to any of the Cars; provided, however, that:

8.2.1 Any such addition, alteration or improvement shall not impair the value of such Car;

8.2.2 Lessee shall have the right, up to the termination of this Lease Agreement, to remove any such alteration, improvement or addition, provided that upon removal of any such alteration, improvement or addition, the Car shall be in AAR interchange condition suitable for load, ordinary wear and tear excepted; and

8.2.3 Any such alteration, improvement or addition as to which Lessee has not exercised the foregoing right of removal shall become a permanent part of the Car to which it is made and title thereto shall vest in Lessor.

8.3 In the event that any alteration, improvement or addition is made pursuant to any laws, regulations, requirements or rules of any governmental authority or of the AAR, then such alteration, improvement or addition shall be made at Lessee's expense and shall become a permanent part of the Car to which it is made and title thereto shall vest in Lessor.

9. CASUALTY OCCURRENCES

9.1 In the event that during the term of this Lease Agreement or any renewal hereof, any Cars are lost, stolen, destroyed or, in the sole opinion of Lessee, damaged beyond economic repair, which events shall hereinafter be referred to as "Casualty Occurrence(s)", Lessee shall give written notice to Lessor and to Chemical of such Casualty Occurrence(s), and Lessee shall pay settlement for same as follows:

9.1.1 To Lessor Casualty Values as set forth in Exhibit E; and

A handwritten signature, possibly "J. H.", is written above the initials "W".

9.1.2 To Chemical Casualty Values as set forth in Schedule II to Exhibit D.

Lessee's rental obligations with respect to any Car subject to a Casualty Occurrence shall cease upon the giving of written notice of such Casualty Occurrence. Payment of the foregoing settlement amounts shall be made as of the next Rental Payment Date which is more than twenty (20) days after notice is given of such Casualty Occurrence. Upon receipt of such payment by Lessor and by Chemical, this Lease Agreement shall terminate with respect to such Car.

9.2 Lessee shall be entitled to the proceeds of any claim or right of Lessor or Lessee against third persons for damage or loss with respect to any Car or the use or operation thereof, including settlements pursuant to the A.A.R. Interchange Rules, and Lessee shall be subrogated to all Lessor's rights of recovery therefor against any other person, firm or corporation. Lessor hereby authorizes Lessee, in Lessee's name, to make settlement of, and receive payment and receipt for, any and all such claims on behalf of Lessor, and Lessor, agrees to execute such further instruments, and do such other acts as may be reasonably necessary or appropriate more fully to evidence Lessee's authority or to effect such subrogation.

9.3 Lessor, upon receipt of settlement pursuant to Paragraph 9.1, shall execute and deliver to Lessee a bill of sale transferring title to Cars suffering such Casualty Occurrence in the form attached as Exhibit F.

10. TAXES

10.1 Lessee shall be responsible for the filing and payment of all taxes, duties, assessments and other governmental charges of whatsoever kind or character which may be accrued, levied, assessed or imposed during the lease term relating to the operation and use of any Car (collectively, "Impositions"), except taxes on income or measured by income imposed on Lessor. Without limiting the generality of the foregoing, Lessee shall not be responsible for, nor pay to Lessor, any amount as compensation for loss of U.S. investment tax credits or U.S. tax depreciation claims during the term of this Lease Agreement.

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10.2 All payments made pursuant to Paragraph 6 of this Lease Agreement shall be made without withholding or deduction for, or on account of, any present or future Impositions imposed by or on behalf of the Government of Canada, any province or territory of Canada or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such Impositions is required by law or by reason of the administration thereof. In that event, Lessee shall be responsible to remit to the appropriate authority or authorities all Impositions so withheld or deducted, and shall pay such additional amounts as may be necessary in order that the net amounts received by Lessor, after such withholding or deduction, shall equal the amount which would have been receivable by Lessor in the absence of such withholding or deduction; provided, however, that Lessee shall not be required to pay such Impositions if and so long as (i) Lessor shall elect to contest the validity, applicability, or amount thereof, subject to Lessee's right to direct such contestation, or (ii) Lessee shall in good faith and with due diligence and by appropriate legal or administrative proceedings contest the validity, applicability or amount thereof (but only so long as such proceedings shall stay the collection thereof and shall not involve any risk of the sale, forfeiture or loss of any Car or any interest therein). In the event of any such contest by Lessee, Lessor shall cooperate with Lessee and lend such assistance and grant such power and authority to Lessee as may be reasonably necessary in the prosecution thereof; provided, however, that Lessee shall reimburse Lessor for any and all expenses (including, without limitation, attorney's fees) incurred by Lessor in connection therewith. Lessor shall notify Lessee promptly of any and all claims for Impositions served upon Lessor, and shall not pay any such Impositions without Lessee's concurrence; provided, however, that Lessor may make such payment without obtaining the concurrence of Lessee only if failure to make such payment involves an immediate risk of the sale, forfeiture or loss of any Car or any interest therein. In the event that Lessor pays any Impositions, Lessee shall reimburse Lessor upon presentation of an invoice therefor. Additionally, Lessee shall



indemnify Lessor and hold Lessor harmless with respect to any and all such Impositions and any and all interest or penalty thereon which may become due during the term of this Lease Agreement; provided, however, that Lessee shall not be responsible to indemnify for any such interest or penalty which results from any delay or failure on the part of Lessor to notify Lessee of any claim served upon Lessor for any Impositions or to pay such Impositions having obtained the concurrence of Lessee to do so, as the case may be.

11. REPRESENTATIONS AND WARRANTIES

11.1 Lessor represents and warrants that:

11.1.1 Lessor has full right, title and authority to lease Cars as provided in this Lease Agreement.

11.1.2 So long as Lessee shall not be in default under this Lease Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Lease Agreement.

11.1.3 At the end of the tenth (10th) Lease Year, or any renewal period thereof as described in Paragraph 20, Lessor will have full right, title and interest in the Cars to convey to Lessee clear and unencumbered title thereto and ownership thereof, and to permit Lessee to exercise the purchase options described in Paragraph 21.

11.1.4 No consents are required to be obtained by Lessor in connection with the transactions contemplated by this Lease Agreement, and if such consents are required, they have been obtained from the parties from whom such consents must be obtained.



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THE WARRANTIES OF LESSOR SET FORTH IN THIS PARAGRAPH 11.1 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS OR WARRANTIES OF LESSOR, WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS LEASE AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN, THE CARS. Lessor authorizes Lessee, at Lessee's expense, to assert during the term hereof, so long as no event of default and no event which with notice or lapse of time or both would be an event of default shall have occurred and be continuing, all of Lessor's rights under any manufacturer's, vendor's or dealer's warranty with respect to the Cars, and Lessor agrees to cooperate with Lessee in asserting such rights, provided, however, that Lessee shall not attempt to enforce such rights unless (i) Lessee shall first notify Lessor of Lessee's intention to enforce such rights and shall furnish to Lessor such information with respect thereto as Lessor may reasonably request and (ii) the enforcement of such rights does not, in Lessor's reasonable judgement, involve any danger of sale, forfeiture or loss of any of the Cars or create the danger of Lessor's incurring criminal liability or other liability for which indemnification by Lessee, satisfactory to Lessor and its counsel, of Lessor and its successors, assigns, representatives, directors, officers, employees, agents and servants is not provided. Any amount received by Lessee as payment under any warranty pursuant to the above authorization shall be applied to restore the Cars to as good a condition as they were or should have been (but for defects giving rise to such payment under warranty) when delivered to Lessee hereunder, ordinary wear and tear excepted, with the balance of such amount, if any, to be paid over to Lessor. Except to the extent otherwise expressly provided herein, the provisions of this Paragraph 11.1 are intended to be a complete negation and exclusion of any representations or warranties by Lessor, express or implied, whether arising pursuant to the Uniform Commercial Code or any similar law now or hereafter in effect, or otherwise.

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11.2 Lessee represents and warrants as follows:

- 11.2.1 Lessee is a duly incorporated and validly subsisting corporation under the laws of Canada, with full corporate power and authority to own its properties and to carry on its business as presently conducted and to enter into and perform its obligations under this Lease Agreement;
- 11.2.2 This Lease Agreement has been duly authorized, executed and delivered by Lessee and constitutes a legal and valid agreement binding upon Lessee and enforceable in accordance with its terms;
- 11.2.3 No approval is required from any public regulatory body with respect to the entering into or performance of this Lease Agreement by Lessee, or if any such approval is required, it has been properly obtained;
- 11.2.4 There are no actions, suits or proceedings pending or, to the knowledge of Lessee, threatened against Lessee or its properties or affecting this Lease Agreement or the transactions contemplated hereby which could, if adversely determined, materially and adversely affect the carrying out of such transactions.

12. USE OF CARS

- 12.1 The parties agree that Lessee intends to place the Cars in Canadian domestic service; provided, however that Lessee may at any time and at its sole discretion withdraw the Cars from such service, and such action shall not constitute a default under this Lease Agreement;



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12.2 Lessee agrees that the Cars shall be used and operated in compliance with the laws of the jurisdiction in which it is located and with all lawful acts, rules, regulations and orders of any government bodies or officers having power to regulate or supervise the use thereof, except that Lessee may in good faith, at its expense and by appropriate proceeding or other reasonable manner, contest the application of such act, rule, regulation or order. Lessee shall operate the Cars in accordance with its management practices as to railroad cars in its ownership.

12.3 Lessee shall not, without the prior written consent of Lessor (which shall not be unreasonably withheld), create any claim, lien, security interest or encumbrance with respect to any Car or to any alteration, improvement or addition to any Car, and shall promptly discharge same should it arise; provided, however, that:

12.3.1 Lessee may in good faith and by appropriate proceeding or other reasonable manner contest such claim, lien, security interest or encumbrance;

12.3.2 Lessee's obligation hereunder shall not arise if any such claim, lien, security interest or encumbrance arose solely through the action or inaction of Lessor;

12.3.3 Lessor shall reimburse or compensate Lessee for expenses or losses resulting from any such claim, lien, security interest or encumbrance referred to in Paragraph 12.3.2.

13. DEFAULTS AND REMEDIES

13.1 Any of the following events shall constitute an event of default by Lessee:

13.1.1 Non-payment of any amount required to be paid by Lessee pursuant to Paragraphs 6.1, 6.2 and 9.1 within the time frames provided in this Lease Agreement, provided that such default shall continue unremedied for five (5) business days; provided, however, that there shall be no event of default under this Paragraph 13.1.1 as long as Lessee is in compliance with the provisions of Paragraph 6.4;

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- 13.1.2 Subject to Paragraph 13.1.1, failure to cure a breach by Lessee of any material term, covenant or condition of this Lease Agreement within thirty (30) days following Lessor's written notice to Lessee of such default;
- 13.1.3 The filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of debtors, or the filing of any such petition or action against Lessee not dismissed within sixty (60) days;
- 13.1.4 Appointment of any receiver or trustee to take possession of a substantial portion of Lessee's properties not set aside within sixty (60) days;
- 13.1.5 Levy upon, seizure, unauthorized assignment or sale of any Car resulting from acts of Lessee not voided or otherwise cured within sixty (60) days.
- 13.2 Upon the occurrence of any event of default as described in Paragraph 13.1, then, in any such case, Lessor, at its option may:
- (a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease Agreement or to recover damages for the breach thereof; or
 - (b) by notice in writing to Lessee terminate this Lease Agreement, whereupon all rights of Lessee to the use of the Cars shall absolutely cease and terminate as though this Lease Agreement had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Cars may be and take possession of all or any of such Cars and thenceforth hold, possess, enjoy, sell, lease or otherwise dispose of the same in such manner as Lessor may in its sole discretion


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determine, with or without notice to Lessee, free from any right of Lessee, or its successors or assigns, to use the Cars for any purposes whatever and without any duty to account to Lessee in respect thereof, but Lessor shall, nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Lease Agreement may be then due or which may have accrued to the date of such termination (computing the rental due to Lessor for any number of days less than a full month by multiplying such rental for such full month by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full month and also to recover forthwith from Lessee (i) as liquidated damages for loss of the bargain and not as a penalty, a sum, with respect to all Cars, which equals the Casualty Value of all the Cars as of the Rental Payment Date next preceding the date of termination of this Lease Agreement, and (ii) any damages and expenses in addition thereto, including, without limitation, transportation costs, reasonable attorneys' fees and court costs, which Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease Agreement other than for the payment of rental or arising from the exercise by Lessor of any remedies hereunder. Notwithstanding anything to the contrary contained in this clause (b), it is understood and agreed that upon and/or after payment of the amount to be paid by Lessee to Lessor under subclause (i) of this clause (b) Lessor shall refund to Lessee the net amount received by Lessor on any sale, lease or disposition of the Cars after deducting all costs and expenses incurred in connection therewith.

- 13.3 The remedies in this Lease Agreement provided in favour of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favour existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies

herein provided, to the extent that such waiver is permitted by law. Lessee hereby waives any and all existing or future claims to any offset against the rental payments due to Lessor, and agrees to make such rental payments regardless of any offset or claim which may be asserted by Lessee or on its behalf.

14. INDEMNITIES

Except as otherwise herein provided, Lessee shall indemnify and save harmless Lessor from and against all loss, expense or liability howsoever arising from the lease, use or operation of any Car or any commodity loaded or transported therein during the term hereof, whether or not such Car is within Lessee's physical possession or subject to its control; provided, however, that Lessee shall not be required to indemnify Lessor under this Paragraph for:

14.1 gross negligence or willful misconduct on the part of Lessor, its employees or agents;

14.2 any patent infringement claims or liabilities.

The indemnity under this Paragraph 14 shall survive termination of this Lease Agreement only to the extent that any such loss, expense or liability is attributable to any Car or commodity loaded or transported therein while such Car is subject to this Lease Agreement. Acceptance of a Car by Lessor, which acceptance shall be in writing, upon expiry of the term hereof will preclude any claims for loss, expense or liability on the part of Lessor occasioned to such Car by commodities transported therein after such acceptance. The provisions of this Paragraph 14 are subject to the requirements of Paragraph 7.4. Upon the payment in full by Lessee of any indemnities as contained in this Paragraph 14, Lessee shall be subrogated to any right of Lessor in respect of the matters against which indemnity has been given. Any payments received by Lessor from any person (except Lessee) as a result of any matter with respect to which Lessor has been indemnified by Lessee pursuant to this Paragraph 14, shall be paid over to Lessee to the extent necessary to reimburse Lessee for indemnification payments previously made in respect of such matter.



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15. RETURN OF CARS UPON TERMINATION

Subject to Paragraphs 20 and 21, upon termination of this Lease Agreement as to any Car, whether at the end of the tenth Lease Year or otherwise, Lessee shall, within thirty (30) days written notice from Lessor, surrender possession thereof to Lessor at Emmerson, Manitoba, Buffalo, New York or at an interchange point on Lessee's trackage in Canada as mutually agreed by Lessor and Lessee. Transportation costs so incurred shall be at the expense of Lessee. All Cars so returned shall be in AAR interchange condition, ordinary wear and tear excepted. Lessee shall make or cause to be made all repairs necessary to restore any Car to such condition. Lessor, by its officers, employees and agents, shall have reasonable access to maintenance and repair records pertaining to the Cars upon reasonable prior written notice to the Chief Mechanical Officer of Lessee, and may, at its own expense, copy such records as it deems necessary. Upon thirty (30) days written notice by Lessor to Lessee, Lessee shall provide at its own risk storage on its trackage for any terminated Car for up to ninety (90) days at Lessee's customary rates in order to permit Lessor to arrange disposal thereof. If any Casualty Occurrence occurs while any terminated Car is being so stored, Lessee shall promptly pay to Lessor settlement for same in accordance with the Schedule of Casualty Values set forth in Exhibit E.

16. LEASE ASSIGNMENT; SUB-LEASE

Lessee may assign this Lease Agreement or sub-lease the Cars, subject to first obtaining Lessor's consent to such assignment or sub-lease, which consent shall not be unreasonably withheld. In the event of any such assignment or sub-lease, Lessee shall continue to be fully liable for all its obligations hereunder. This Lease Agreement shall be fully assignable by Lessor; provided, however, that Lessor shall provide prior written notice to Lessee and to Chemical of such assignment.

A handwritten signature, possibly "J. L.", is written above the initials "W".

17. NOTICES

17.1 Any notice required or permitted to be given hereunder shall be given in writing either by telex or by mail and if mailed shall be sent, postage prepaid, addressed as follows:

If to Lessor: First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust
Department

Telex No.: 71-3789450

With a copy to: Duane, Morris & Heckscher
One Franklin Plaza
Philadelphia, PA 19102
Attention: Marshall A. Fleisher,
Esq.

Telex No.: TWX 710-670-1164

If to Lessee: Canadian National Railway Company
935 de La Gauchetiere St. W.,
Montreal, Quebec
Canada H3B 2M9
Attention: Treasurer

Telex No.: 055-61899

If to Chemical: Chemical Bank Canada Leasing
Limited
150 York Street, Suite 1900
Toronto, Ontario
Canada M5H 3S5
Attention: President

Telex No.: 06-218105

Any party hereto may change the address to which notice is to be mailed by written notice thereof to the others.

17.2 All payments made to Lessor shall be sent to:
79 South Main Street, Salt Lake City, Utah 84111.

17.3 All payments made to Chemical shall be sent to:
150 York Street, Suite 1900, Toronto, Ontario,
Canada M5H 3S5.



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18. CONSENT TO JURISDICTION AND SERVICE OF PROCESS

Lessor and Lessee agree that if any controversy, dispute or claim shall arise out of this Lease Agreement, its interpretation or breach, they shall consult with each other in good faith to settle such controversy, dispute or claim. Lessor and Lessee each irrevocably appoints the Trust Administrator, First Security Bank of Utah, N.A. and the Vice-President, Purchases and Materials, respectively, as its attorney upon whom may be served any notice, process or pleading in any action or proceeding against it arising out of or in connection with this Lease Agreement. Lessor and Lessee each hereby consents and agrees that any action or proceeding against it shall be commenced and maintained exclusively in the United States District Court for the Southern District of New York by service of process on the foregoing named individuals. Lessor and Lessee further agree that the United States District Court for the Southern District of New York shall have jurisdiction with respect to the subject matter hereof, their persons and the Cars.

19. MISCELLANEOUS

- 19.1 This Lease Agreement shall be binding upon, and inure to the benefit of, the parties, their respective successors and assigns, except that, subject to Paragraph 16 and the provisions contained in Exhibit D, no party may assign this Lease Agreement or any of its rights hereunder without the prior written consent of the others.
- 19.2 The waiver of any right accruing to any party by failure of that party to exercise that right in a given instance, or delay in exercising that right, shall not be deemed a waiver of that right in future instances of a similar nature or affect any other right, power or remedy available to that party.
- 19.3 Nothing contained herein shall be construed in any way whatsoever so as to constitute or establish a partnership, joint venture or contract of employment between the parties.



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19.4 Nothing contained herein shall be deemed to give (i) Chemical any right, title or interest in or to any of the Cars or any amounts payable by Lessee to Lessor hereunder, or (ii) Lessor any right, title or interest in or to any amounts payable by Lessee to Chemical hereunder.

19.5 No default or failure of performance by Lessee or Chemical with respect to one another shall excuse Lessee of its obligations hereunder to Lessor, and no default or failure of performance by Lessee or Lessor with respect to one another shall excuse Lessee of its obligations hereunder to Chemical.

20. RENEWAL OPTIONS

20.1 Lessee shall have the option, if not in default hereunder, to extend the term of this Lease Agreement, for all but not fewer than all of the Cars, upon the terms and conditions of this Lease Agreement, modified as follows:

20.1.1 Commencing with the termination of the initial ten (10) year term of this Lease Agreement, a first five year renewal period during which the monthly rental shall be One Hundred dollars (\$100.00) U.S. per Car per month;

20.1.2 Commencing with the termination of the first renewal period described in Paragraph 20.1.1, a second five year renewal period during which the monthly rental shall be Fifty Seven dollars (\$57.00) U.S. per Car per month;

20.1.3 Commencing with the termination of the second renewal period described in Paragraph 20.1.2, a third five year renewal period during which the monthly rental shall be Forty Two dollars (\$42.00) U.S. per Car per month;

20.1.4 Commencing with the termination of the third renewal period described in Paragraph 20.1.3, a fourth renewal period of one year during which the monthly rental shall be Twenty Nine dollars (\$29.00) U.S. per Car per month;



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20.1.5 Commencing with the termination of the fourth renewal period described in Paragraph 20.1.4, a fifth renewal period of one year during which the monthly rental shall be Eight dollars (\$8.00) U.S. per Car per month;

20.1.6 Commencing with the termination of the fifth renewal period described in Paragraph 20.1.5, a sixth renewal period of one year during which the monthly rental shall be Seven dollars (\$7.00) U.S. per Car per month;

20.1.7 Commencing with the termination of the sixth renewal period described in Paragraph 20.1.6, a seventh renewal period of one year during which the monthly rental shall be Six dollars (\$6.00) U.S. per Car per month.

20.2 The renewal options described in Paragraph 20.1 shall be exercised by Lessee giving Lessor written notice thereof not less than one hundred and eighty (180) days prior to the termination of the initial term or any renewal term, as applicable.

21. PURCHASE OPTIONS

21.1 Lessee shall have the option, if not in default hereunder, to purchase all but not fewer than all of the Cars upon the terms and conditions indicated herein, as follows:

21.1.1 The Option A purchase shall be Six Thousand Two Hundred dollars (\$6,200.00) U.S. per Car payable at the termination of the tenth (10th) Lease Year of the Lease Agreement;

21.1.2 The Option B purchase price shall be Three Thousand Five Hundred dollars (\$3,500.00) U.S. per Car payable at the termination of the fifteenth (15th) Lease Year of the Lease Agreement;

21.1.3 The Option C purchase price shall be Two Thousand Five Hundred dollars (\$2,500.00) U.S. per Car payable at the termination of the twentieth (20th) Lease Year of the Lease Agreement;



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21.1.4 The Option D purchase price shall be One Thousand dollars (\$1,000.00) U.S. per Car payable at the termination of the twenty-fifth (25th) Lease Year of the Lease Agreement;

21.1.5 The Option E purchase price shall be Seven Hundred and Fifty dollars (\$750.00) U.S. per Car payable at the termination of the twenty-sixth (26th) Lease Year or any Lease Year thereafter of the Lease Agreement.

21.2 The purchase options described in Paragraph 21.1 shall be exercised by Lessee giving Lessor written notice thereof not less than one hundred and eighty (180) days prior to the termination of the particular Lease Year as applicable to each option.

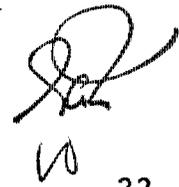
21.3 Upon payment of the purchase price under any of the purchase options described in Paragraph 21.1, Lessor shall execute and deliver to Lessee a bill of sale for such Cars in the form of Exhibit F.

22. INSURANCE

Lessee will, at all times prior to the return of the Cars to Lessor in accordance with the terms of this Lease Agreement and during any storage period, at its own expense, cause to be carried and maintained public liability and property damage insurance in respect of the Cars against the risks and in the amounts, if any, customarily insured against by Lessee in respect to similar equipment owned or leased by it. Notwithstanding anything to the contrary in this Paragraph 22, Lessee shall be permitted to provide for customary deductibles and/or self insurance.

23. REPORTS

23.1 On or before April 1 in each year commencing with the year 1988, Lessee will cause to be furnished to Lessor in such number of counterparts or copies as may reasonably be requested an accurate statement signed by a responsible officer of Lessee, as of the preceding December 31,



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- (a) showing the amount, description and numbers of the Cars then leased hereunder, the amount, description and number of all Cars that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Lease Agreement, in the case of the first such statement), and such other information regarding the condition and state of repair of the Cars as Lessor may reasonably request,
- (b) stating that, in the case of all Cars repainted or repaired during the period covered by such statement, the markings required by Paragraph 7 have been preserved or replaced,
- (c) stating whether or not an event of default shall have occurred during the period covered by such statement and, if an event of default shall have occurred, whether or not the same is continuing and what steps Lessee has taken or is taking to cure such event of default, and
- (d) describing any event or circumstance which with the passage of time or the giving of notice, or both, would constitute an event of default.

23.2 Lessee will furnish to Lessor, on the later of (i) 90 days after the end of Lessee's fiscal year, or (ii) within 10 days of the tabling in the House of Commons of Canada of its annual report, a statement of profit and loss and of surplus for each fiscal year, and a balance sheet as at the end of the such year, all in reasonable detail together with the report and opinion of a firm of independent chartered accountants.

24. SEVERABILITY; EFFECT AND MODIFICATION OF LEASE AGREEMENT

24.1 Any provision of this Lease Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, 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.

Handwritten signature and initials, possibly "JAC" and "W".

24.2 This Lease Agreement exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Cars and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for Lessor and Lessee.

25. EXECUTION

This Lease Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and in such case such counterparts together shall constitute but one and the same instrument.

26. GOVERNING LAW

Subject to the provisions of Exhibit D, this Lease Agreement shall be subject to and construed in accordance with the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303.

27. LESSOR ACTING AS TRUSTEE

Lessee acknowledges and understands that Lessor is acting as Trustee under the Trust Agreement. The representations, undertakings and agreements herein made on the part of Lessor are made and intended for the purpose of binding only the Trust Estate, as such term is used in the Trust Agreement. The term "Beneficiaries" as used herein shall include any affiliated group of corporations which includes any of the Beneficiaries and which files a consolidated U.S. Federal income tax return.

A handwritten signature in dark ink, appearing to be 'J. W.', is written above the number '11'. The signature is stylized and cursive.

STATE OF Utah :
 :
 : SS.
COUNTY OF Salt Lake :

On this day of VAL T. ORTON, 1986, before me personally appeared , to me personally known who, being by me duly sworn, says that (s)he is the TRUST OFFICER of First Security Bank of Utah, N.A., that the seal affixed to the Foregoing instrument is the seal of said organization, that said instrument was signed and sealed on behalf of said organization by authority of its governing body, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said organization.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Sandra A. Gibson
NOTARY PUBLIC

MY COMMISSION EXPIRES:
My Commission Expires May 7, 1990

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

On this October 31, 1986, before me personally appeared Paul G. Follet, to me personally known, who, being by me duly sworn, says that he is the Vice-President of Canadian National Railway Company, that one of the seals affixed to the foregoing instrument is the seal of said Company, that said instrument was signed and sealed on behalf of said Company 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 Company.

Marie-Anne Plourde
COMMISSION FOR OATHS
PROVINCE OF QUEBEC

(Notarial Seal)

VO [Signature]

PROVINCE OF ONTARIO)
) ss.:
CITY OF TORONTO)

On this 5th day of November, 1986, before me personally appeared James A. Essex, to me personally known, who, being by me duly sworn, says that he is the Executive Vice President of Chemical Bank Canada Leasing Limited, that one of the seals affixed to the foregoing instrument is the seal of said Company, that said instrument was signed and sealed on behalf of said Company 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 Company.



Notary Public in and for
the Province of Ontario

(Notarial Seal)

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EXHIBIT A

TRUST AGREEMENT

TRUST AGREEMENT

Dated as of November 7, 1986

Among

THE PARTIES NAMED IN SCHEDULE A HERETO,
as Owners

and

FIRST SECURITY BANK OF UTAH, N.A.,
as Trustee

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive name, possibly "J. R. Smith" or similar, though the exact name is illegible.

Trust Agreement

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* This table of contents is included for convenience only and does not form a part of or affect any construction or interpretation of this document.



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TRUST AGREEMENT

THIS TRUST AGREEMENT is made as of November 7, 1986 among the parties named in Schedule A hereto (collectively, "Owners" and each individually, "Owner") and FIRST SECURITY BANK OF UTAH, N.A., a national banking association, as Trustee hereunder ("Trustee").

ARTICLE I

DEFINITIONS

Unless otherwise defined herein or unless the context shall otherwise require, capitalized terms used herein shall have the respective meanings assigned to such terms in the Lease Agreement dated as of the date hereof between the Trustee, Canadian National Railway Company and Chemical Bank Canada Leasing Limited (the "Lease Agreement").

ARTICLE II

AUTHORITY OF TRUSTEE; DECLARATION OF TRUST

Section 2.1. Authorization to Execute Lease Agreement. The Owners hereby authorize and direct the Trustee to execute and deliver the Lease Agreement and to exercise its rights and perform its duties as Lessor under the Lease Agreement.

Section 2.2. Declaration of Trust. The Trustee hereby declares that it will hold all estate, right, title and interest of the Trustee in and to the Cars and the Lease Agreement, including, without limitation, all amounts of rental, insurance proceeds, indemnity and other payments of any kind, whenever received, for or with respect to any of the Cars (all such estate, right, title and interest hereinafter collectively referred to as the "Trust Estate"), upon the trusts hereinafter set forth for the use and benefit of the Owners, as their respective interests from time to time shall appear.

ARTICLE III

APPLICATION OF INCOME FROM TRUST ESTATE

Section 3.1. Receipt, Distribution and Application of Income from Trust Estate. All payments of any kind for or with respect to each Car and all other amounts included in the Trust Estate shall be distributed forthwith upon receipt by the Trustee in the following order of priority:

- (i) to the payment of any unpaid fees of the Trustee then due and owing, together with the necessary and reasonable expenses of the administration of the

trusts hereby created; and

(ii) the balance, if any, to the Owner of such Car or, if more than one of the Owners owns such Car, then to the Owners thereof on a pro rata basis as their respective interests shall from time to time appear.

Section 3.2. Method of Payment. Subject to receipt by the Trustee of available funds no later than 11:00 a.m., Salt Lake City, Utah time, the Trustee shall make distributions or cause distributions to be made to each Owner pursuant to this Article III by wire transfer of funds to such address and account number as is set forth for such Owner in Schedule A or as may be specified to the Trustee by written notice given in accordance with Section 10.5 hereof.

ARTICLE IV

DUTIES OF THE TRUSTEE

Section 4.1. Notice of Event of Default. Subject to the terms of Section 4.7 hereof, in the event the Trustee shall have knowledge of an event of default under the Lease Agreement (or an event which with notice or lapse of time or both would constitute an event of default under the Lease Agreement), the Trustee shall give prompt telex, telegraphic or telephonic notice (confirmed by written notice) of such event to the Owners and the Lessee. Subject to the terms and provisions of the Lease Agreement and subject further to the terms of Sections 4.3 and 4.6 hereof, the Trustee shall take such action or refrain from taking such action with respect to such event as the Owners shall direct by written instructions to the Trustee. If the Trustee shall not have received instructions as provided above within 20 days after mailing notice of such event to the Owners, the Trustee may, but shall be under no obligation to, take or refrain from taking such action with respect to such event as it shall deem advisable in the best interests of the Owners, subject always, however, to its receipt of instructions pursuant to the preceding sentence. The Trustee shall not be deemed to have knowledge of such an event unless notified in writing by any of the Owners or the Lessee or unless an officer or employee in the Corporate Trust Department of the Trustee shall have actual knowledge thereof.

Section 4.2. Action upon Instructions. Subject to the terms and provisions of the Lease Agreement and subject further to the terms of Sections 4.1, 4.3 and 4.6 hereof, upon the written instructions of the Owners at any time and from time to time, the Trustee shall take such of the following actions as may be specified in such instructions: (i) give such notice or direction or exercise such right or power under the Lease Agreement or in respect of all or any part of the Trust Estate,

or give such consent, waiver or extension under the Lease Agreement, or execute such amendment, supplement or modification thereof, or take such other action, as shall be specified in such instructions; (ii) take such action to preserve or protect the Trust Estate (including the discharge of liens) as may be specified in such instructions; (iii) approve as satisfactory to it or consent to all matters required by the terms of the Lease Agreement to be satisfactory to the Trustee, it being understood that without the written instructions of the Owners, the Trustee shall not approve any such matter as satisfactory to it or consent to any such action; and (iv) convey any or all of the Trustee's right, title and interest in and to any part of the Trust Estate for such amount, on such terms and to such purchaser or purchasers as shall be designated in such instructions. No such instructions by the Owners shall be inconsistent with the terms and provisions of the Lease Agreement and the rights of the parties thereto or with any right or immunity of the Trustee hereunder.

Section 4.3. Indemnification. The Trustee shall not be required to take any action or refrain from taking any action under Section 4.1 or 4.2 hereof unless the Trustee shall have been indemnified by the Owners, in manner and form satisfactory to the Trustee, against any liability, cost or expense (including counsel fees) which may be incurred in connection therewith. The Trustee shall not be required to take any action under Section 4.1 or 4.2 hereof if the Trustee shall reasonably determine or shall have been advised by counsel that such action is contrary to the terms of this Trust Agreement or the Lease Agreement or is otherwise contrary to applicable law.

Section 4.4. No Duties Except as Specified Herein or in Instructions. The Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with any Car or any other part of the Trust Estate, or otherwise to take or refrain from taking any action under or in connection with the Lease Agreement except as expressly provided by the terms of the Trust Agreement or in written instructions from the Owners received pursuant to the terms of Section 4.1 or 4.2 hereof, and no implied duties or obligations shall be read into this Trust Agreement against the Trustee. The Trustee agrees that it will, in its individual capacity and at its own cost and expense (but without any right of indemnity in respect of any such cost or expense under Article VI hereof) promptly take such action as may be necessary to duly discharge any and all liens, charges, security interest or other encumbrances on any part of the Trust Estate which result from claims against the Trustee not related to the ownership of the Cars or the administration of the Trust Estate or any other transaction contemplated by this Trust Agreement or the Lease Agreement.

Section 4.5. No Action Except under Lease Agreement, Trust Agreement or Instructions. The Trustee agrees that it will not manage, control, use, sell, dispose of or otherwise deal with any Car or any other part of the Trust Estate except (i) as

required by the terms of the Lease Agreement or (ii) in accordance with the powers granted to or the authority conferred upon the Trustee pursuant to this Trust Agreement or (iii) in accordance with written instructions from the Owners pursuant to Section 4.1 or 4.2 hereof.

Section 4.6. Instructions. Except as otherwise provided in this Section 4.6, no instructions to the Trustee pursuant to Section 4.1, 4.2 or 5.6 hereof shall be effective unless given in writing by Owners who own, in the aggregate, not less than sixty-six and two-thirds percent (66-2/3%) of the Cars; provided, however, that the Trustee shall not convey its right, title and interest in any Car to the Lessee upon the Lessee's exercise of its rights under Paragraph 21 of the Lease Agreement unless and until the Trustee has received written instructions to do so from all of the Owners of such Car.

Section 4.7. Notice of Nonpayment. In the event the Trustee shall not have received any amount payable under Section 6.1 of the Lease Agreement on the date due thereunder, the Trustee shall give prompt written notice thereof to the Lessee by telex, telecopy, telegraph or any other available means of transmittal whereby such written notice is received by the Lessee on the day it is given.

ARTICLE V

THE TRUSTEE

Section 5.1. Acceptance of Trust and Duties. The Trustee accepts the trusts hereby created and agrees to perform the same, but only upon the terms of this Trust Agreement. The Trustee agrees also to receive and disburse upon the terms of this Trust Agreement all monies constituting part of the Trust Estate which it receives. The Trustee shall not be answerable or accountable under any circumstances except for its own wilful misconduct, gross negligence or failure to disburse monies which it receives in accordance with the terms of this Trust Agreement and except for liabilities that may result from the failure of the Trustee to perform its obligations under the last sentence of Section 4.4 hereof.

Section 5.2. No Duties as to Cars Except as Specified Herein or in Instructions. Except in accordance with written instructions furnished pursuant to Section 4.1 or 4.2 hereof and except as provided in, and without limiting the generality of, Section 4.4 hereof, the Trustee shall have no duty (i) to see to any registration of any Car or any recording or filing of the Lease Agreement or of this Trust Agreement or of any supplement to any thereof or to see to the maintenance of any such registration, recording or filing, (ii) to see to any insurance on any Car or to effect or maintain any such insurance, whether or not the Lessee shall be in default with respect thereto, other than to forward to the Owners copies of all reports and other written information which it receives from the Lessee pursuant to

the Lease Agreement, (iii) to see to the payment or discharge of any tax, assessment or other governmental charge or any lien owing with respect to, or assessed or levied against, any part of the Trust Estate, (iv) to confirm or verify any financial statements of the Lessee, or (v) to inspect any Car at any time or ascertain or inquire as to the performance or observance of any of the Lessee's covenants under the Lease Agreement with respect to any of the Cars. Notwithstanding the foregoing, the Trustee will furnish to the Owners, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements statements and other instruments furnished to the Trustee under the Lease Agreement.

Section 5.3. No Segregation of Monies; No Interest. Except for any monies which may be deposited by the Lessee as security for its obligations under the Lease Agreement, monies received by the Trustee hereunder need not be segregated in any manner except to the extent required by law, and may be deposited under such general conditions as may be prescribed by law, and the Trustee shall not be liable for any interest thereon.

Section 5.4. Reliance; Agents; Advice of Counsel. The Trustee shall incur no liability to anyone in acting in reliance upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other documents or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. Unless other evidence in respect thereof is specifically prescribed herein, any request, direction, order or demand of the Owners or the Lessee shall be sufficiently evidenced by a written instrument signed by the President, a Vice President or any other duly authorized representative of the Owners or the Lessee, as the case may be. The Trustee may accept a copy of a resolution of the Board of Directors of the Lessee, certified by the Secretary, a Deputy Secretary or an Assistant Secretary of the Lessee as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted by such Board and that the same is in full force and effect. As to any fact or matter relating to the Lessee the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes hereof rely on a certificate signed by the President, a Vice President or any other duly authorized representative of the Lessee as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may consult with counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons and not contrary to this Trust Agreement.

Section 5.5. Compensation of Trustee. The Trustee shall be entitled to receive reasonable compensation from the Owners for its services hereunder and under the Lease Agreement.

Section 5.6. Action upon Ambiguity or Conflict. In the event that the Trustee is unsure as to the application of any provision of this Trust Agreement or any agreement contemplated thereby, or such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Trust Agreement or any agreement contemplated hereby permits any determination by the Trustee or is silent or incomplete as to the course of action which the Trustee is required to take with respect to a particular set of facts, the Trustee may request and rely upon instructions of the Owners; provided, however, that in the event that no response is made to the Trustee by the Owners within 25 days after such request, the Trustee shall not be liable for any failure to act.

Section 5.7. Records of Receipts and Disbursements; Tax Returns. The Trustee shall be responsible for the keeping of all appropriate books and records relating to the receipt and disbursement of all monies under this Trust Agreement or any agreement contemplated hereby. The Owners shall be responsible for causing to be prepared and the Trustee shall cause to be timely filed all income tax returns with respect to the transactions contemplated by this Trust Agreement. The Trustee, upon request, will furnish the Owners with all such information as may be reasonably required from the Trustee in connection with the preparation of such income tax returns.

Section 5.8. Not Acting in Individual Capacity. In accepting the trusts hereby created, the Trustee acts solely as Trustee hereunder and not in its individual capacity; and all persons, other than the Owners, having any claim against the Trustee by reason of the transactions contemplated hereby shall look only to the Trust Estate for payment or satisfaction thereof.

Section 5.9. Action Binding; No Obligation to Confirm. Any action taken by the Trustee shall be binding upon the Trustee from time to time serving hereunder, and no person dealing with the Trustee from time to time serving hereunder shall be obligated to confirm the power and authority of the Trustee to act.

ARTICLE VI

INDEMNIFICATION AND AGREEMENT BY OWNERS

The Owners hereby agree, whether or not any of the transactions contemplated hereby shall be consummated, to assume liability for, and do hereby indemnify, protect, save and keep harmless the Trustee, and its successors, assigns, legal



representatives, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, taxes (excluding any taxes payable by the Trustee on or measured by any compensation received by the Trustee for its services under this Trust Agreement), claims, actions, suits, costs, expenses or disbursements (including, without limitation, reasonable legal fees and expenses) of any kind and nature whatsoever (collectively, "Liabilities") which may be imposed on, incurred by or asserted against the Trustee (unless indemnified against by the Lessee under the Lease Agreement) in any way relating to or arising out of this Trust Agreement or the Lease Agreement or any other instrument, notice, resolution, authorization, request, consent, order, certificate, report, opinion, bond or other paper referred to herein or given in connection with the transactions contemplated herein or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any of the Cars (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent or trademark infringement, claims for the violation of the laws of any country or subdivision thereof, tort claims, strict liability claims or claims for damages), or in any way relating to or arising out of the administration of the Trust Estate or the action or inaction of the Trustee hereunder, except (a) in the case of wilful misconduct or gross negligence on the part of the Trustee in the performance of its duties hereunder or under the Lease Agreement or (b) those resulting from the failure of the Trustee to perform its obligations under the last sentence of Section 4.4 hereof. Notwithstanding the foregoing, in the event that any Liabilities in any way related to or arising in connection with a particular Car or Cars are imposed on, incurred by or asserted against the Trustee, the obligation to indemnify, protect, save and keep harmless as set forth above shall be borne by and limited to only the Owner(s) of such Car(s). The indemnities contained in this Article VI shall survive the termination of this Trust Agreement. In addition, if necessary, the Trustee shall be entitled to indemnification from the Trust Estate for any liability, obligation, loss, damage, penalty, tax, claim, action, suit, cost, expense or disbursement indemnified against pursuant to this Article VI to the extent not reimbursed by the Lessee, the Owners or others, but without releasing any of them from their respective agreements of reimbursement; and to secure the same the Trustee shall have a lien on the Trust Estate, which shall be prior to any interest therein of the Owners.

ARTICLE VII

TRANSFER OF OWNER'S INTERESTS

Section 7.1. Transfer of Owner's Interests. No Owner shall assign, convey or otherwise transfer any of its right, title and interest in and to this Trust Agreement or the Trust Estate, except in accordance with this Article VII. All, but not less than all, of an Owner's right, title and interest in and to



this Trust Agreement or the Trust Estate may be assigned, conveyed or transferred by such Owner (a) to any corporation which holds all the voting securities of such Owner or any corporate subsidiary or corporate affiliate wholly owned or otherwise of such corporation or (b) to any financial institution having a combined capital and surplus of at least \$10,000,000 or (c) with the prior written consent of the Trustee to any other institution, corporation or person (any such party called a "Transferee"). In the event of any such assignment, conveyance or transfer, the Transferee shall become a party to this Trust Agreement and shall agree to be bound by all the terms of and will undertake all the obligations of the Owner contained in this Trust Agreement in such manner as is satisfactory to the Trustee. No such assignment, conveyance or transfer shall violate any provision of law or regulation or create a relationship which would be in violation thereof. The Trustee shall not be on notice of or otherwise be bound by any such assignment, conveyance or transfer unless and until it shall have received an executed counterpart of the instrument of such assignment, conveyance or transfer. Upon any such disposition by an Owner to a Transferee as above provided, such Transferee shall succeed to the interests of such Owner and shall be deemed the "Owner" for all purposes hereof. Each reference herein and in the Lease Agreement to such Owner shall thereafter be deemed to include such Transferee, and such Owner shall not be liable under Article VI hereof with respect to the Obligations of such Transferee.

Section 7.2. Notice of Proposed Transfer. If an Owner shall propose to transfer its interests hereunder pursuant to Section 7.1 hereof, it shall give 21 days' prior written notice to the Trustee, specifying the name and address of the proposed Transferee, and enclosing the agreement or agreements referred to in said Section 7.1.

ARTICLE VIII

SUCCESSORS AND COTRUSTEES

Section 8.1. Successor Trustee. (a) The Trustee or any successor thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Owners, such resignation to be effective upon the acceptance of appointment by the successor Trustee. In addition, the Owners may at any time remove the Trustee without cause by an instrument in writing delivered to the Trustee. In the case of the resignation or removal of any Trustee, the Owners may appoint a successor Trustee having the qualifications set forth in paragraph (c) of this Section 8.1 by an instrument signed by the Owners. If the Owners shall not have appointed a successor Trustee within 30 days after such resignation or removal, the Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed by the Owners as above provided. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed by

the Owners within one year from the date of the appointment by such court. Any entity becoming a successor Trustee hereunder shall be deemed the "Trustee" for all purposes hereof, and each reference herein to the Trustee shall thereafter be deemed a reference to such entity. For purposes of this Section 8.1, removal of the Trustee and appointment of a successor Trustee shall be by instrument executed by Owners who own, in the aggregate, not less than sixty-six and two-thirds percent (66-2/3%) of the Cars.

(b) Any successor Trustee, whether appointed by a court or by the Owners, shall execute and deliver to the predecessor Trustee as instrument accepting such appointment, and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Trustee in the trusts hereunder with like effect as if originally named as Trustee herein; but nevertheless upon the written request of such successor Trustee, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor Trustee and such predecessor Trustee shall duly transfer, assign, deliver and pay over to such successor Trustee any property or monies then held by such predecessor Trustee upon the trusts herein expressed.

(c) Any successor Trustee, however appointed, shall be a bank or trust company having a combined capital and surplus of at least \$50,000,000, if there is such an institution willing and able and legally qualified to act as Trustee on reasonable and customary terms.

(d) Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Trustee may be transferred, shall, subject to the terms of this Section 8.1, be the Trustee under this Trust Agreement without any further act.

(e) In the event any successor Trustee is appointed hereunder, the fees theretofore paid to the Trustee shall be prorated between the Trustee and the successor Trustee for any unexpired portion of the period to which such fees related.

Section 8.2. Cotrustees. (a) At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Trustee shall have power to appoint one or more persons to act as cotrustee of all or any part of the Trust Estate or to act as separate trustee of any property constituting part thereof, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons any property, title, right or power deemed necessary or

desirable, subject to the remaining provisions of this Section 8.2.

(b) Every separate trustee or cotrustee shall, to the extent permitted by law, be appointed subject to the following terms:

(i) The rights, powers, duties and obligations conferred or imposed upon any such separate trustee or cotrustee shall be the same as those conferred or imposed upon the Trustee and such rights and powers shall be exercisable only jointly with the Trustee, except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and powers shall be exercised by such separate trustee or cotrustee subject to the provisions of Section 8.2(b)(iv) hereof.

(ii) The Trustee may at any time, by an instrument in writing executed by it, accept the resignation of or remove any separate trustee or cotrustee appointed under this Section 8.2.

(iii) No trustee hereunder shall be liable by reason of any act or omission of any other trustee hereunder unless such other trustee has a combined capital and surplus of less than \$10,000,000.

(iv) No power given to such separate trustee or cotrustee shall be separately exercised hereunder by such separate trustee or cotrustee except with the consent in writing of the Trustee, anything herein contained to the contrary notwithstanding.

(c) Upon the acceptance in writing of such appointment by any such separate trustee or cotrustee, he or it shall be vested with the estates or property specified in the instrument of appointment, subject to all the terms of this Trust Agreement.

ARTICLE IX

SUPPLEMENTS AND AMENDMENTS TO THIS TRUST AGREEMENT AND OTHER DOCUMENTS

Section 9.1. Supplements and Amendments. This Trust Agreement may not be amended, supplemented or otherwise modified except by an instrument in writing signed by the Trustee and all of the Owners. Subject to Section 9.2 hereof, the Trustee will execute any amendment, supplement or other modification of this Trust Agreement or the Lease Agreement which it is requested to execute by the Owners, except that the Trustee shall not execute any such amendment, supplement or other modification which by the express provisions of any of the above documents, requires the consent of any other party unless such consent shall have been

obtained.

Section 9.2. Trustee Protected. If in the opinion of the Trustee any document required to be executed pursuant to the terms of Section 9.1 hereof affects any right, duty, immunity or indemnity in favor of the Trustee under this Trust Agreement or the Lease Agreement, the Trustee may in its discretion decline to execute such document.

Section 9.3. Request of Substance, Not Form. It shall not be necessary for any written request furnished pursuant to Section 9.1 hereof to specify the particular form of the proposed documents to be executed pursuant to said Section 9.1, but it shall be sufficient if such request shall indicate the substance thereof.

Section 9.4. Documents Mailed to Owners. Promptly after the execution by the Trustee of any document entered into pursuant to Section 9.1 hereof, the Trustee shall mail, by certified mail, postage prepaid, a conformed copy thereof to each of the Owners, but the failure of the Trustee to mail such conformed copy shall not impair or affect the validity of such document.

ARTICLE X

MISCELLANEOUS

Section 10.1. Termination and Revocation of Trust Agreement. This Trust Agreement and the trusts created hereby shall terminate and this Trust Agreement shall be of no further force or effect upon the earlier of (i) the sale, transfer or other final disposition by the Trustee of all property constituting part of the Trust Estate and the final distribution by the Trustee of all monies, other property and proceeds constituting part of the Trust Estate in accordance with the terms of this Trust Agreement; provided that at such time the Lessee shall have fully complied with all of the terms of the Lease Agreement, or (ii) 21 years less one day after the death of the last survivor of all the descendants of John D. Rockerfeller, Jr. living on the date of hereof; provided, however, that if any such rights, privileges or options shall be or become valid under applicable law for a period subsequent to the 21st anniversary of the death of such last survivor (or, without limiting the generality of the foregoing, if legislation shall become effective providing for the validity or permitting the effective grant of such rights, privileges and options for a period in gross exceeding the period for which such rights, privileges and options are hereinabove stated to extend and be valid), then such rights, privileges or options shall not terminate as aforesaid but shall extend to and continue in effect, but only if such non-termination and extension shall then be valid under applicable law, until such time as the same shall, under applicable law, cease to be valid. This Trust Agreement may be terminated or revoked by the Owners at any time if the Owners

shall have assumed, by an instrument reasonably satisfactory to the Lessee, the obligations of the Trustee under the Lease Agreement.

Upon any termination or revocation of this Trust Agreement, all monies or other property or proceeds constituting part of the Trust Estate shall be distributed in accordance with the terms of Article III hereof; otherwise this Trust Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 10.2. Title to Trust Estate. The Owners shall not have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of any right, title and interest of the Owners or any of them in and to the Trust Estate hereunder shall operate to terminate this Trust Agreement or the trusts hereunder or entitle any successor or transferee of such Owner(s) to an accounting or to the transfer to it (them) of legal title to any part of the Trust Estate.

Section 10.3. Sale of Cars by Trustee is Binding. Any assignment, sale, transfer or other conveyance of any Car by the Trustee made pursuant to the terms of this Trust Agreement or of the Lease Agreement shall bind the Owner thereof and shall be effective to transfer or convey all right, title and interest of the Trustee and the Owner in and to such Car. No purchaser or other grantee shall be required to inquire as to the authorization, necessity or regularity of such assignment, sale, transfer or conveyance or as to the application of any sale or other proceeds with respect thereto by the Trustee.

Section 10.4. Trust Agreement for Exclusive Benefit of Trustee and Owners. Nothing in this Trust Agreement, whether expressed or implied, shall be construed to give any person, other than the Trustee and the Owners any legal or equitable right, remedy or claim under or in respect of this Trust Agreement; but this Trust Agreement shall be held to be for the sole and exclusive benefit of the Trustee and the Owners. Notwithstanding any of the provisions of this Trust Agreement to the contrary, so long as no event of default under the Lease Agreement (or event which would constitute an event of default under the Lease Agreement but for the lapse of time or the giving of notice or both) shall have occurred and be continuing, neither the Trustee nor the Owners will take action contrary to the Lessee's rights under the Lease Agreement, including the right to possession and use of the Cars, except in accordance with the provisions of the Lease Agreement.

Section 10.5. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, instructions and communications hereunder shall be in writing, delivered, telexed, telecopied or mailed by certified mail, postage prepaid, and (i) if to the Trustee, addressed to it at its office at 79 South Main Street, Salt Lake City, Utah 84111, Attention: Corporate Trust Department; (ii) if to the Owner(s),

addressed to it (them) at the address(es) specified in Schedule A; and if to the Lessee, addressed to it at its office at 935 de La Gauchetiere Street West, Montreal, Quebec H3B 2M9, CANADA, Attention: Treasurer; or at such other address as a party may specify in accordance herewith. Whenever any notice in writing is required to be given hereunder by the Trustee or the Owner, such notice shall be deemed given and such requirement satisfied if such notice is delivered by hand, sent by telex or telecopy, or mailed by certified mail, postage prepaid, addressed as provided above.

Section 10.6. Severability. Any provision of this Trust 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.

Section 10.7. Amendments. No term or provision of this Trust Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other person against whom enforcement of the change, waiver, discharge or termination is sought; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 10.8. Execution. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 10.9. Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Trustee and its successors and assigns, and the Owners, their successors and, to the extent permitted by Article VII hereof, their assigns. Any request, notice, direction, consent, waiver or other instrument or action by an Owner shall bind the successors and assign of such Owner.

Section 10.10. Table of Contents; Headings. The table of contents hereto and the headings of the various Articles and Sections herein are for convenience of reference only and do not form a part of nor shall be deemed to govern or affect the construction or interpretation of this Trust Agreement.



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

MELLON FINANCIAL SERVICES
CORPORATION #3

Attest: _____
Title: _____

By: _____
Title: _____

THE PAUL REVERE LIFE INSURANCE
COMPANY

Attest: _____
Title: _____

By: _____
Title: _____

PAUL REVERE VARIABLE ANNUITY
INSURANCE COMPANY

Attest: _____
Title: _____

By: _____
Title: _____

THE PAUL REVERE PROTECTIVE LIFE
INSURANCE COMPANY

Attest: _____
Title: _____

By: _____
Title: _____

AVCO CORPORATION RETIREMENT
INCOME TRUST

Attest: _____
Title: _____

By: _____
Title: _____

MUTUAL SERVICE LIFE INSURANCE
COMPANY

Attest: _____
Title: _____

By: _____
Title: _____



NORTH AMERICAN LIFE ASSURANCE
COMPANY

Attest: _____
Title: _____

By: _____
Title: _____

THE OHIO NATIONAL LIFE
INSURANCE COMPANY

Attest: _____
Title: _____

By: _____
Title: _____

C.I.T. FINANCIAL SERVICES, INC.
By: The CIT Group/Equipment
Financing, Inc.,
formerly C.I.T.
Corporation, as Agent

Attest: _____
Title: _____

By: _____
Title: _____

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION

Attest: _____
Title: _____

By: _____
Title: _____



SCHEDULE A

Owners

GROUP I CARS

98 cars
Present markings: TWGX 2000-2099, inclusive
(excepting 2013 and 2085)
Canadian National markings: CN 383000-383098, inclusive

Name and Address of Owner Ownership Interest

Mellon Financial Services 100%
Corporation #3
One Mellon Bank Center
Suite 3030
Pittsburgh, PA 15258-0001

Attention of Controller/Leasing Group

All payments shall be made by wire transfer of immediately available funds (with sufficient information to identify the source and application of said funds) to Mellon Bank, N.A., One Mellon Bank Center, Pittsburgh, PA 15258-0001, for credit to Mellon Financial Services Corporation #3, Account No. 127-5680.

GROUP II CARS

215 cars
Present markings: TWGX 2250-2549, inclusive
(as set forth in attached Addendum)
Canadian National markings: CN 383100-383314, inclusive

Name and Address of Owner Ownership Interest

The Paul Revere Life Insurance Company 15.96%
c/o Textron Investment Management
Company, Inc.
40 Westminster Street
Providence, RI 02903

Attention of Vice President-Investment/
Private Placements

All payments shall be made by wire transfer of immediately available funds (with sufficient information to identify the source and application of said funds) to Morgan Guaranty Trust Company, 23 Wall Street, New York, NY 10015, Account No. 051-67-716.



Paul Revere Variable Annuity Insurance 22.92%

Company
c/o Textron Investment Management
Company, Inc.
40 Westminster Street
Providence, RI 02903

Attention of Vice President-Investment/
Private Placements

All payments shall be made by wire transfer
of immediately available funds (with
sufficient information to identify
the source and application of said
funds) to Morgan Guaranty Trust
Company, 23 Wall Street, New York, NY
10015, Account No. 051-67-716.

The Paul Revere Protective Life 7.64%

Insurance Company
c/o Textron Investment Management
Company, Inc.
40 Westminster Street
Providence, RI 02903

Attention of Vice President-Investment/
Private Placements

All payments shall be made by wire transfer
of immediately available funds (with
sufficient information to identify
the source and application of said
funds) to Morgan Guaranty Trust
Company, 23 Wall Street, New York, NY
10015, Account No. 051-67-716.

Avco Corporation Retirement Income Trust 15.28%

c/o Textron Investment Management
Company, Inc.
40 Westminster Street
Providence, RI 02903

Attention of Vice President-Investment/
Private Placements

All payments shall be made by wire transfer
of immediately available funds (with
sufficient information to identify
the source and application of said
funds) to Bankers Trust Company,
One Bankers Trust Plaza, New York,
NY 10015, RE 99401399,
Attention: PPDS, 4th Floor,
Harbourside, Account No. 100387,



Name: Avco Corporation Retirement
Income Trust.

Mutual Service Life Insurance Company 7.64%
P.O. Box 64035
St. Paul, MN 55164

Attention of Investment Department

All payments shall be made by wire transfer
of immediately available funds (with
sufficient information to identify
the source and application of said
funds) to The First National Bank of
Minneapolis, First Bank Place,
Minneapolis, MN 55480, Attention
of Corporate Trust Department, Agency
Custody, Daryl Moritko, for credit
to Mutual Service Life Insurance
Company's, Account No. 3271-965.

North American Life Assurance Company 15.28%
c/o Elliott and Page Limited
Suite 1120
120 Adelaide Street West
Toronto, Ontario M5H 1V1
CANADA

Attention of Vice President-Mortgages

All payments shall be made by wire transfer
of immediately available funds (with
sufficient information to identify
the source and application of said
funds) to The Chase Manhattan Bank,
1211 Avenue of the Americas, 33rd
Floor, New York, NY 10036, Attention
of Insurance Trust Administrator,
Account No. 949-1-234168.

The Ohio National Life Insurance Company 15.28%
P.O. Box 237
Cincinnati, OH 45201

Attention of Securities Department

All payments shall be made by wire transfer
of immediately available funds (with
sufficient information to identify
the source and application of said
funds) to First National Bank of
Cincinnati, P.O. Box 1038,
Cincinnati, OH 45201, for credit
to The Ohio National Life Insurance
Company, Account No. 910-275-7.



GROUP III CARS

50 cars

Present markings: TWGX 2550-2599, inclusive

Canadian National markings: CN 383318-383367, inclusive

Name and Address of Owner

Ownership Interest

C.I.T. Financial Services
135 West 50th Street
New York, NY 10020

100%

Attention of Catherine Stiglich

All payments shall be made by wire transfer of immediately available funds (with sufficient information to identify the source and application of said funds) to Chemical Bank, 640 Madison Avenue, New York, NY 10022, for credit to The CIT Group/Equipment Financing, Inc., Account No. 116-003855.

A handwritten signature in black ink, appearing to be 'S. Stiglich', is located in the lower right quadrant of the page.

ADDENDUM TO SCHEDULE A

Present Car Markings for Group II Cars. All numbers bear prefix TWGX.

2284	2268	2272
2297	2282	2292
2300	2285	2301
2303	2293	2306
2357	2296	2335
2367	2318	2340
2371	2324	2348
2373	2328	2361
2378	2391	2372
2385	2393	2374
2386	2408	2398
2401	2441	2407
2405	2447	2410
2412	2460	2416
2424	2463	2425
2437	2464	2429
2444	2466	2440
2449	2467	2451
2469	2525	2496
2473	2534	2509
2475	2541	2515
2498	2542	2518
2504	2543	2522
2508	2544	2535
2531	2549	2545
2254	2251	2265
2258	2288	2275
2273	2299	2281
2283	2317	2286
2287	2326	2289
2308	2337	2290
2312	2341	2294
2319	2349	2310
2320	2359	2314
2336	2376	2315
2355	2389	2316
2356	2394	2330
2358	2411	2332
2383	2420	2344
2396	2426	2351
2403	2431	2353
2418	2448	2414
2434	2454	2415
2468	2482	2428



Addendum to Schedule A - Page 2

2483	2512	2430
2488	2519	2436
2523	2521	2480
2524	2528	2503
2527	2529	2520
2547	2532	2536

2256	2255	2252
2260	2261	2305
2262	2264	2313
2271	2269	2327
2280	2279	2346
2309	2298	2364
2323	2325	2380
2339	2331	2427
2362	2338	2433
2366	2343	2442
2368	2345	2459
2377	2363	2485
2387	2370	2486
2404	2399	2494
2423	2402	2506
2458	2453	
2462	2457	
2471	2465	
2474	2493	
2479	2499	
2481	2502	
2487	2510	
2492	2516	
2495	2533	
2505	2537	



EXHIBIT B

DESCRIPTION OF REQUIREMENTS AND SPECIFICATIONS FOR CARS

1. Car Identification

<u>Present Car Marking</u>	<u>Number of Cars</u>	<u>CN Car Markings</u>
TWGX 2000-2099 inclusive (except 2013 and 2085)	98	CN 383000-383097 inclusive
TWGX 2250-2549 (as set forth in Schedule attached hereto)	215	CN 383100-383314 inclusive
TWGX 2550-2599 (inclusive)	50	CN 383318-383367 inclusive

2. Car Description

UMLER Value	TWGX 2000-2099 - \$37,500. U.S. Funds TWGX 2250-2549 - \$45,365. U.S. Funds TWGX 2550-2599 - \$45,365. U.S. Funds
Date Built	TWGX 2000-2099 - April 1979 TWGX 2250-2549 - October 1980 TWGX 2550-2599 - October 1980
Car Builder and Location	Pullman Standard Butler, Pennsylvania
AAR Mechanical Designation	LO

3. Car Specifications

Detailed specifications and drawings for the Cars as heretofore provided by Lessor.

4. General Condition and Car Modifications

All Cars will be in suitable mechanical condition, repaired to the specifications referred to in item 3 above and to AAR, FRA or RTC requirements prior to being tendered for final inspection and acceptance. Car components worn to AAR condemnable limit or otherwise defective will be changed out or repaired and all safety appliances will be within acceptable limits, all as prescribed by AAR, FRA or RTC. Without limiting the generality of the foregoing, under no circumstances shall there be anything less than the normal life cycle remaining on car components not so changed out or repaired.



EXHIBIT B - Page 2

Without limiting the generality of the foregoing, specific attention will be paid to the following items:

Draft and Truck Components

The draft and truck components are to be inspected and repaired if necessary, in accordance with the Field Manual of the A.A.R. Interchange Rules. Broken truck springs are to be renewed and missing coupler wear plates are to be reapplied.

Brakes

Both the air brake and hand brake are to be inspected and repaired if necessary, in accordance with the Field Manual of the A.A.R. Interchange Rules.

Body Construction

Sides and Ends

The sides and ends are to be free of cuts or dents that could hinder the containment of loads or cause a loss in its protection from the elements of weather. Excessive dents are to be straightened. Cuts are to be repaired by welding patch plates to the outside of the side sheet.

Centre Sills

All centre sills are to be inspected. If cracks are detected they are to be repaired.

Hatch Covers

Any broken or cracked hatch covers are to be repaired.

Gates

All gate mechanisms are to be in good operating condition. Any missing parts must be replaced and bent or broken parts must be repaired or replaced. Gates must open and close with moderate amount of force.

A handwritten signature in black ink, appearing to be 'J. W.', is located at the bottom of the page.

Wheels

Wheels worn to A.A.R. condemnable limits or which have A.A.R. condemnable defects are to be replaced.

All above work to be carried out in an A.A.R. approved manner at Lessor's expense up to a maximum aggregate amount of \$150. U.S. dollars per Car (\$55,200. U.S.); provided, however, that such maximum aggregate amount shall not include Cars requiring heavy repairs such as Car No. TWGX 2358, TWGX 2542, and TWGX 2586, which, if repaired, shall be at no expense to Lessee.

A handwritten signature in black ink, appearing to be a stylized name or set of initials.A small handwritten mark or symbol, possibly a checkmark or a stylized letter.

SCHEDULE

Present Car Markings for 215 Cars. All numbers bear prefix TWGX.

2284	2268	2272
2297	2282	2292
2300	2285	2301
2303	2293	2306
2357	2296	2335
2367	2318	2340
2371	2324	2348
2373	2328	2361
2378	2391	2372
2385	2393	2374
2386	2408	2398
2401	2441	2407
2405	2447	2410
2412	2460	2416
2424	2463	2425
2437	2464	2429
2444	2466	2440
2449	2467	2451
2469	2525	2496
2473	2534	2509
2475	2541	2515
2498	2542	2518
2504	2543	2522
2508	2544	2535
2531	2549	2545
2254	2251	2265
2258	2288	2275
2273	2299	2281
2283	2317	2286
2287	2326	2289
2308	2337	2290
2312	2341	2294
2319	2349	2310
2320	2359	2314
2336	2376	2315
2355	2389	2316
2356	2394	2330
2358	2411	2332
2383	2420	2344
2396	2426	2351
2403	2431	2353
2418	2448	2414
2434	2454	2415
2468	2482	2428
2483	2512	2430
2488	2519	2436
2523	2521	2480

A handwritten signature, possibly 'J. L. W.', is located in the bottom right corner of the page. The signature is written in black ink and consists of a large, stylized initial 'J' followed by 'L.' and 'W.' below it.

Exhibit B - Page 5

SCHEDULE (continued)

2524	2528	2503
2527	2529	2520
2547	2532	2536
2256	2255	2252
2260	2261	2305
2262	2264	2313
2271	2269	2327
2280	2279	2346
2309	2298	2364
2323	2325	2380
2339	2331	2427
2362	2338	2433
2366	2343	2442
2368	2345	2459
2377	2363	2485
2387	2370	2486
2404	2399	2494
2423	2402	2506
2458	2453	
2462	2457	
2471	2465	
2474	2493	
2479	2499	
2481	2502	
2487	2510	
2492	2516	
2495	2533	
2505	2537	

Handwritten signature and initials, possibly "S. L. W.", located to the right of the schedule list.

EXHIBIT C

CERTIFICATE OF ACCEPTANCE

To: (Lessor)
.....
.....
.....
.....

Canadian National Railway Company (Lessee)
935 de La Gauchetiere Street West
Montreal, Quebec
Canada, H3b 2M9
Attention: Chief of Motive Power & Car Equipment

The undersigned, a duly authorized inspector of Lessee, under Lease Agreement dated, with Lessor, does hereby certify that:

Under authority of Lessee, I have inspected and accepted delivery at, of the units of railroad equipment specified in Schedule A hereto attached and made a part hereof (Cars), as conforming in all respects to the terms and provisions of said Lease Agreement.

Under authority of Lessee, I further certify that by virtue of my said acceptance of said Cars the same have, on the dates and at the place stated, come under lease to Lessee pursuant to the terms and provisions of said Lease Agreement.

.....
Authorized Inspector

Handwritten signature and initials in the bottom right corner of the page.

EXHIBIT C - Page 2

Schedule "A"

Description of Cars referred to in the foregoing Certificate of Acceptance:

<u>Car Number (s)</u>	<u>Date(s) of Delivery and Acceptance</u>
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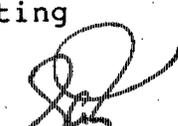

W

EXHIBIT D

THIS EXHIBIT D to a lease agreement ("Lease Agreement") made as of November 7, 1986 among FIRST SECURITY BANK OF UTAH, N.A. ("Lessor"), as trustee under a trust agreement dated as of November 7, 1986, CANADIAN NATIONAL RAILWAY COMPANY ("Lessee") and CHEMICAL BANK CANADA LEASING LIMITED ("Chemical"), sets forth the terms and conditions governing the rights and obligations of Chemical under the Lease Agreement to the extent that such rights and obligations are not otherwise provided for therein. In the event of an inconsistency or conflict between any provision of the Lease Agreement and the provisions of this Exhibit D, the provisions of this Exhibit D shall govern to the extent of such inconsistency or conflict. All references to Paragraph numbers in this Exhibit D, unless otherwise noted, refer to Paragraph numbers contained in the Lease Agreement.

1. CONSIDERATION. Lessee shall pay rentals to Chemical pursuant to Paragraphs 6.2.1 and 6.2.2 in consideration of the lease by Chemical to Lessee of the property described in Schedule I to this Exhibit D (collectively the "Linings") upon the terms and conditions set forth in the Lease Agreement and this Exhibit D.

2. ADDITIONAL RENTALS. Lessee shall pay as additional rent all Impositions (as that term is defined in Paragraph 10.1, as amended for the purposes of this Exhibit D only by deleting



the words "operation and use of any Car" and substituting therefor "use of the Linings" and by deleting the word "Lessor" and substituting therefor the word "Chemical") required to be paid pursuant to Paragraph 10.2, as amended for the purposes of this Exhibit D only by deleting the word "Lessor" throughout Paragraph 10.2 and substituting therefore the word "Chemical".

3. NO WARRANTIES BY CHEMICAL. Lessee acknowledges that (i) it has selected the Linings and the supplier of the Linings, (ii) Chemical has acquired the Linings from the supplier at the direction of Lessee, (iii) Chemical shall not be responsible for examining, checking or otherwise inspecting the Linings for any purpose and (iv) Lessee will accept delivery of the Linings in accordance with the provisions of the Lease Agreement. Lessee acknowledges that there are no warranties, conditions, terms, representations or inducements expressed or implied, statutory or otherwise, made by or on behalf of Chemical or operating in favour of Lessee as to any aspect of the Linings, including without limitation the condition, operations fitness, durability, quality or merchantability of the Linings, or as to Chemical's title thereto or Lessee's right to the quiet enjoyment thereof (except as to the acts or omissions of Chemical). Chemical hereby assigns to Lessee the benefit of all warranties, guaranties or other undertakings, if assignable, made by a manufacturer or supplier of the Linings. Lessee accepts the foregoing assignment in lieu of any and all other rights against Chemical in respect of any failure of the Linings



to function or perform, and in the event of a legal action by Chemical or failure to pay any amount alleged to be owing hereunder, Lessee hereby waives all defences predicated on such failure of the Linings. Lessee acknowledges that the provisions of this Exhibit D which exclude liability of Chemical for any such failure of the Linings are fair and reasonable, and are predicated on Lessee's choice of the Linings and the supplier of the Linings. In the event of any such failure of the Linings, it is Lessee's express intention that any exclusion of liability hereunder operating in favour of Chemical shall continue to bind Lessee.

4. ORDER, DELIVERY, INSTALLATION. Order, delivery and installation of the Linings shall be entirely at Lessee's risk and Lessee shall be responsible to ensure satisfactory completion of same. Lessee waives as against Chemical all or any right of rejection of the Linings howsoever arising.

5. NET LEASE AND RENT. It is expressly agreed that the rights and obligations of Lessee and Chemical as between themselves under the Lease Agreement and this Exhibit D are those of a lessee and lessor respectively under a net lease, and every cost, expense, rate, tax or charge existing or arising in respect of the Linings shall be borne by Lessee. Lessee's obligation to pay rent and all other amounts payable to Chemical under the Lease Agreement and this Exhibit D is absolute and unconditional in all circumstances, except that Lessee shall



have no obligation to pay rent pursuant to Paragraphs 6.2.1 and 6.2.2. in respect of any Car which has suffered a Casualty Occurrence, as that term is defined in Paragraph 9.1, and in respect of which Lessee has made payment to Chemical in accordance with Paragraph 9.1.2. Lessee shall pay to Chemical the periodic rent payments set forth in Paragraphs 6.2.1 and 6.2.2 without notice or demand at Chemical's address set forth in Paragraph 17.3 (or as otherwise designated by Chemical) continuing uninterrupted until payment in full. All other sums owing to Chemical under the Lease Agreement and this Exhibit D are payable on demand. Lessee shall not be entitled to any abatement of rent or reduction thereof whatsoever, including for greater certainty but not limited to, abatements or reductions due to any present or future claims of Lessee against Chemical under the Lease Agreement and this Exhibit D or otherwise or against a manufacturer or supplier of the Linings, nor, except as otherwise expressly provided in the Lease Agreement or this Exhibit D, shall the Lease Agreement terminate, or the respective obligations of Chemical or Lessee be otherwise affected, by reason of any defect in or failure of title of Chemical to the Linings or any defect in or damage to or loss or destruction of all or any of the Linings from whatsoever cause, the taking or requisitioning of the Linings by condemnation or otherwise, the lawful prohibition of the Lessee's use of the Linings, the interference with such use by any private person or corporation, the invalidity or unenforceability or other



infirmary of the Lease Agreement or this Exhibit D, or for any other cause whether similar or dissimilar to the foregoing, any present or future laws to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable to Chemical by Lessee under the Lease Agreement and this Exhibit D shall continue to be payable in all events. Any rents or other payment owing to Chemical not made when due shall bear interest thereafter to the date of payment calculated and compounding monthly at the rate of 0.797414% per month (equivalent to an effective rate of 10% per annum), as well before as after default and judgment at the same rate. Any prepayment of rent shall be applied to rent payments in inverse order of maturity. Notwithstanding any other provision of this paragraph it is expressly agreed that Lessee shall have no obligation to pay rent pursuant to Paragraphs 6.2.1 and 6.2.2 in respect of any Car which has suffered a Casualty Occurrence, as that term is defined in Paragraph 9.1, and in respect of which Lessee has made payment to Chemical in accordance with Paragraph 9.1.2.

6. THIRD PARTY LIABILITY. Lessee assumes liability for all loss, damage, injury or death to persons or property arising directly or indirectly out of the possession or use of the Linings or the Cars, as that term is defined in the Lease Agreement, by whomsoever caused and whether or not caused by negligence. Lessee hereby indemnifies and covenants to save harmless Chemical from any such liability and for legal and



other fees and costs Chemical may incur defending any claims, actions or proceedings in respect of such liability, all on a solicitor and his own client basis. Further, Lessee hereby indemnifies and covenants to save harmless Chemical from and against any and all other claims, demands, liabilities, losses, costs, charges and expenses of whatsoever nature and kind relating to the Linings or the Cars including those relating to the possession, use, operation, maintenance, alteration, repair, delivery or other disposition of the Linings or the Cars.

7. NO OBLIGATION OF LESSOR TO CHEMICAL. Notwithstanding anything in the Lease Agreement or in this Exhibit D to the contrary, Lessor shall have no duty or obligation whatsoever to Chemical with respect to the Linings or any payments which Lessee is required to make to Chemical pursuant to the Lease Agreement and this Exhibit D.

8. RETURN OF LININGS UPON TERMINATION. Upon termination of the Lease Agreement for any reason Lessee shall surrender possession of the Linings to Lessor.

9. DEFAULTS AND REMEDIES. Upon the occurrence of any event of default as described in Paragraph 13.1, the following amounts shall be due and payable by Lessee on demand by Chemical:

- (i) any and all amounts which under the terms of the Lease Agreement and this Exhibit D may be then due or which



may have accrued to the date of demand (computing the rental due to Chemical for any number of days less than a full month by multiplying such rental for such full month by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full month);

- (ii) as liquidated damages for loss of the bargain and not as a penalty, a sum, with respect to the Linings, which equals the total Casualty Value of the Linings for all Cars, determined in accordance with Schedule II to this Exhibit D as of the Rental Payment Date next preceding the date of demand; and
- (iii) such other costs and expenses reasonably incurred by Chemical in enforcing its remedies under the Lease Agreement and this Exhibit D, including reasonable legal fees;

provided that in the event that demand has not actually been made by Chemical prior to a termination of the Lease Agreement pursuant to Paragraph 13.2(b), it is expressly agreed that demand shall be deemed to have been made by Chemical immediately prior to such termination.

10. LESSEE'S WAIVER. The remedies in the Lease Agreement and this Exhibit D provided in favour of Chemical shall not be deemed exclusive, but shall be cumulative, and shall be in



addition to all other remedies in its favour existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law.

11. WAIVER; AMENDMENT. The Lease Agreement and this Exhibit D exclusively and completely state the rights of Chemical and Lessee with respect to the leasing of the Linings and supersede all other agreements, oral or written, with respect thereto. No covenant or condition of the Lease Agreement or this Exhibit D to be performed or observed by Lessee in favour of Chemical can be waived except by written consent of Chemical, and forbearance or indulgence by Chemical in any regard whatsoever shall not constitute a waiver of such covenant or condition and, until complete performance or observance by Lessee of such covenant or condition, Chemical shall be entitled to invoke any remedy available to Chemical under the Lease Agreement and this Exhibit D by law, despite any such forbearance or indulgence. This Exhibit D shall not be amended except in writing signed by Lessee and signed by any two authorized officers of Chemical.

12. SEVERABILITY. Any provision of the Lease Agreement and this Exhibit D which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without



invalidating the remaining provisions of the Lease Agreement or this Exhibit D, as applicable, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. ASSIGNMENT. In the event of any assignment pursuant to Paragraph 16, Lessee shall continue to be liable for all its obligations to Chemical under the Lease Agreement and this Exhibit D. Chemical may assign its rights and transfer its obligations under the Lease Agreement and this Exhibit D in whole or in part upon written notice to Lessor and to Lessee, and Lessee shall be bound by any such assignment, and Lessee shall in no event raise against any assignee any claims Lessee may have against Chemical.

14. FURTHER ASSURANCES. Lessee shall at its expense do, execute, acknowledge or deliver all such further things, agreements, documents and conveyances which may from time to time be reasonably requested by Chemical to give effect to or better protect the rights of Chemical under the Lease Agreement and this Exhibit D.

15. ENGLISH LANGUAGE. The parties require that the Lease Agreement and this Exhibit D and all notices and documents entered into pursuant hereto be drawn in the English language. Les parties exigent que la presente convention et tous les avis et documents donnees ou passes en vertu de la presente convention soient rediges en anglais.



16. INTERPRETATION. "Chemical" throughout this Exhibit D includes Chemical and its successors and assigns, and "Lessee" throughout this Exhibit D includes the Lessee above named and its successors and assigns.

17. HEADINGS. Paragraph headings are for convenience of reference only and shall not affect the construction or interpretation of this Exhibit D.

18. GOVERNING LAW. The Lease Agreement and this Exhibit D, to the extent that the same relate to or affect the rights and obligations of Chemical and Lessee as between themselves shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

19. EXTENDED MEANINGS. In this Exhibit D, words importing the singular number include the plural and vice-versa.

A handwritten signature in black ink, consisting of a stylized, cursive script that appears to be the initials 'S.R.' followed by a flourish.

EXHIBIT D

SCHEDULE I

DESCRIPTION OF PROPERTY

Interior linings of each of the Cars, consisting of one coat of anti-corrosive primer paint, one coat of epoxy white primer and one coat of epoxy enamel.

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a cursive name.

EXHIBIT D

SCHEDULE II

CASUALTY VALUE OF LININGS PER CAR

NOTE: The Casualty Value payable to Chemical shall be the amount corresponding to the month in which notice of a Casualty Occurrence is given pursuant to Paragraph 9.1, or in which demand is made or deemed to have been made by Chemical pursuant to paragraph 9 of this Exhibit D, as the case may be.

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE (\$U.S.)</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE (\$U.S.)</u>
1	4,101.88	41	3,102.88
2	4,080.35	42	3,073.90
3	4,058.67	43	3,044.71
4	4,036.82	44	3,015.30
5	4,014.80	45	2,985.67
6	3,992.63	46	2,955.82
7	3,970.29	47	2,925.74
8	3,947.78	48	2,895.44
9	3,925.10	49	2,864.92
10	3,902.26	50	2,834.17
11	3,879.24	51	2,803.18
12	3,856.05	52	2,771.97
13	3,832.69	53	2,740.53
14	3,809.16	54	2,708.85
15	3,785.45	55	2,676.93
16	3,761.56	56	2,644.77
17	3,737.50	57	2,612.38
18	3,713.25	58	2,579.74
19	3,688.83	59	2,546.86
20	3,664.22	60	2,513.74
21	3,639.43	61	2,480.37
22	3,614.45	62	2,446.75
23	3,589.29	63	2,412.88
24	3,563.94	64	2,378.75
25	3,538.40	65	2,344.37
26	3,512.67	66	2,309.74
27	3,486.75	67	2,274.85
28	3,460.64	68	2,239.69
29	3,434.33	69	2,204.28
30	3,407.82	70	2,168.60
31	3,381.12	71	2,132.65
32	3,354.22	72	2,096.44
33	3,327.11	73	2,059.95
34	3,299.81	74	2,023.20
35	3,272.30	75	1,986.17
36	3,244.58	76	1,948.86
37	3,216.66	77	1,911.27
38	3,188.53	78	1,873.41
39	3,160.20	79	1,835.26
40	3,131.65	80	1,796.83



EXHIBIT D

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE (\$U.S.)</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE (\$U.S.)</u>
81	1,758.11	101	920.13
82	1,719.10	102	874.88
83	1,679.81	103	829.28
84	1,640.21	104	783.35
85	1,600.33	105	737.07
86	1,560.14	106	690.45
87	1,519.66	107	643.47
88	1,478.87	108	596.15
89	1,437.78	109	548.48
90	1,396.39	110	500.45
91	1,354.68	111	452.06
92	1,312.67	112	403.32
93	1,270.34	113	354.20
94	1,227.69	114	304.73
95	1,184.73	115	254.88
96	1,141.44	116	204.66
97	1,097.84	117	154.07
98	1,053.90	118	103.09
99	1,009.64	119	51.74
100	965.05	120	0.00



EXHIBIT E

SCHEDULE OF CASUALTY VALUES

NOTE: The Casualty Value payable shall be in U.S. dollars and shall be the amount corresponding to the month in which notice of a Casualty Occurrence is given pursuant to Paragraph 9.1, or in which the Lease Agreement is terminated pursuant to Paragraph 13.2(b), as the case may be.

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>
1	\$15839.65	31	13905.01
2	15779.71	32	13835.41
3	15719.47	33	13765.47
4	15658.93	34	13695.18
5	15598.09	35	13624.54
6	15536.94	36	13553.54
7	15475.49	37	13482.19
8	15413.73	38	13410.48
9	15351.66	39	13338.42
10	15289.28	40	13266.00
11	15226.59	41	13193.21
12	15163.59	42	13120.06
13	15100.28	43	13046.55
14	15036.65	44	12972.67
15	14972.70	45	12898.42
16	14908.43	46	12823.80
17	14843.84	47	12748.81
18	14778.93	48	12673.44
19	14713.70	49	12597.70
20	14648.14	50	12521.58
21	14582.25	51	12445.08
22	14516.03	52	12368.20
23	14449.48	53	12290.93
24	14382.60	54	12213.28
25	14315.39	55	12135.24
26	14247.84	56	12056.81
27	14179.95	57	11977.99
28	14111.73	58	11898.78
29	14043.17	59	11819.17
30	13974.26	60	11739.16



W

EXHIBIT E - Page 2

SCHEDULE OF CASUALTY VALUES

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>
61	11658.75	100	8189.12
62	11577.94	101	8090.99
63	11496.73	102	7992.37
64	11415.11	103	7893.26
65	11333.09	104	7793.66
66	11250.66	105	7693.56
67	11167.81	106	7592.96
68	11084.55	107	7491.86
69	11000.88	108	7390.25
70	10916.79	109	7288.14
71	10832.28	110	7185.52
72	10747.35	111	7082.38
73	10661.99	112	6978.73
74	10576.21	113	6874.56
75	10490.00	114	6769.87
76	10403.36	115	6664.66
77	10316.29	116	6558.92
78	10228.78	117	6452.66
79	10140.83	118	6345.87
80	10052.45	119	6238.54
81	9963.62	120	6130.68
82	9874.35	121	6099.19
83	9784.64	122	6067.35
84	9694.48	123	6035.16
85	9603.87	124	6002.61
86	9512.81	125	5969.69
87	9421.29	126	5936.41
88	9329.31	127	5902.75
89	9236.87	128	5868.72
90	9143.97	129	5834.31
91	9050.61	130	5799.51
92	8956.78	131	5764.32
93	8862.49	132	5728.74
94	8767.72	133	5692.76
95	8672.48	134	5656.38
96	8576.77	135	5619.59
97	8480.58	136	5582.39
98	8383.91	137	5544.78
99	8286.76	138	5506.75

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EXHIBIT E - Page 3

SCHEDULE OF CASUALTY VALUES

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>
139	5468.29	176	3698.36
140	5429.40	177	3639.69
141	5390.08	178	3580.37
142	5350.32	179	3520.38
143	5310.11	180	3459.72
144	5269.45	181	3448.97
145	5228.34	182	3438.08
146	5186.77	183	3427.04
147	5144.74	184	3415.85
148	5102.24	185	3404.51
149	5059.26	186	3393.02
150	5015.80	187	3381.38
151	4971.85	188	3369.58
152	4927.41	189	3357.63
153	4882.48	190	3345.52
154	4837.04	191	3333.24
155	4791.10	192	3320.80
156	4744.64	193	3308.19
157	4697.66	194	3295.42
158	4650.16	195	3282.48
159	4602.13	196	3269.36
160	4553.56	197	3256.07
161	4504.45	198	3242.60
162	4454.79	199	3228.95
163	4404.58	200	3215.12
164	4353.80	201	3201.10
165	4302.46	202	3186.89
166	4250.54	203	3172.49
167	4198.04	204	3157.90
168	4144.96	205	3143.12
169	4091.28	206	3128.14
170	4037.00	207	3112.96
171	3982.12	208	3097.58
172	3926.62	209	3081.99
173	3870.50	210	3066.19
174	3813.76	211	3050.18
175	3756.38	212	3033.96

Handwritten signature and initials, possibly "J. W.", located in the bottom right corner of the page.

SCHEDULE OF CASUALTY VALUES

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>
213	3017.52	251	2267.11
214	3000.86	252	2246.63
215	2983.98	253	2225.96
216	2966.87	254	2205.09
217	2949.53	255	2184.02
218	2931.96	256	2162.75
219	2914.16	257	2141.28
220	2896.12	258	2119.61
221	2877.84	259	2097.73
222	2859.31	260	2075.64
223	2840.53	261	2053.34
224	2821.50	262	2030.83
225	2802.22	263	2008.11
226	2782.68	264	1985.17
227	2762.88	265	1962.01
228	2742.82	266	1938.63
229	2722.49	267	1915.03
230	2701.89	268	1891.21
231	2681.01	269	1867.16
232	2659.85	270	1842.88
233	2638.41	271	1818.37
234	2616.68	272	1793.63
235	2594.66	273	1768.66
236	2572.35	274	1743.45
237	2549.74	275	1718.00
238	2526.83	276	1692.31
239	2503.61	277	1666.37
240	2480.08	278	1640.19
241	2461.62	279	1613.76
242	2442.99	280	1587.08
243	2424.18	281	1560.14
244	2405.19	282	1532.95
245	2386.02	283	1505.50
246	2366.67	284	1477.79
247	2347.13	285	1449.82
248	2327.41	286	1421.58
249	2307.50	287	1393.07
250	2287.40	288	1364.29



EXHIBIT E - Page 5

SCHEDULE OF CASUALTY VALUES

<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>	<u>MONTH NUMBER</u>	<u>CASUALTY VALUE</u>
289	1335.24		
290	1305.91		
291	1276.31		
292	1246.42		
293	1216.25		
294	1185.79		
295	1155.05		
296	1124.01		
297	1092.68		
298	1061.05		
299	1029.12		
300	996.89		
301	977.37		
302	957.66		
303	937.77		
304	917.69		
305	897.42		
306	876.95		
307	856.29		
308	835.43		
309	814.37		
310	793.11		
311	771.65		

AND THEREAFTER

A handwritten signature, possibly "Joh", is written above the letter "W".

EXHIBIT F

Bill of Sale

.....(hereinafter called the "Seller", in consideration of the sum ofdollars (\$) paid by CANADIAN NATIONAL RAILWAY COMPANY, a Canadian corporation (hereinafter called the "BUYER"), at or before the execution and delivery of these presents, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer and set over unto the BUYER, its successors and assigns all of its rights, title and interest in the following property:

(insert description of Equipment)

TO HAVE AND TO HOLD the above described property unto the BUYER, its successors and assigns, for its and their own use and behoof, forever.

The SELLER hereby warrants unto the BUYER that the Seller has legal title to the aforesaid property free and clear of all encumbrances which result from claims against SELLER whether or not related to the ownership of such property.

THE AFORESAID PROPERTY IS BEING SOLD HEREUNDER ON AN "AS-IS" BASIS AND "WITH ALL FAULTS". THE SELLER MAKES NO WARRANTY, EITHER EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND EXPRESSLY DISCLAIMS LIABILITY FOR LOST PROFIT OR FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR COMMERCIAL LOSSES AND ALL OTHER OBLIGATIONS OR LIABILITIES.

IN WITNESS WHEREOF, the SELLER has caused this instrument to be executed in its name by its officers thereunto duly authorized and its corporate seal to be hereunto affixed the day of

.....

(CORPORATE SEAL)

ATTEST:

.....

.....