

CRAVATH, SWAINE & MOORE

RECORDATION NO. 13602 Filed 1425

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MAR 22 1982-2 15 PM

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MAR 22 1982-2 15 PM

INTERSTATE COMMERCE COMMISSION

2-081A074

No. MAR 22 1982

Date

Fee \$ 100.00

Washington, D. C. 20540
RECORDATION NO. 13602 Filed 1425

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MAR 22 1982-2 15 PM

INTERSTATE COMMERCE COMMISSION

MAR 22 1982-2 March 22, 1982

Chemical Company Lease Financing
Dated as of January 15, 1982
17-1/4% Conditional Sale Obligations
Due January 2, 2002

Dear Madam:

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

(1) (a) Conditional Sale Agreement dated as of January 15, 1982, between The Connecticut Bank and Trust Company, as Trustee and Procor Limited, as Builder;

(b) Agreement and Assignment dated as of January 15, 1982, between Mercantile-Safe Deposit and Trust Company, as Assignee, and Procor Limited, as Builder;

(2) (a) Lease of Railroad Equipment dated as of January 15, 1982, between The Dow Chemical Company, as Lessee, and The Connecticut Bank and Trust Company, as Lessor; and

(b) Assignment of Lease and Agreement dated as of January 15, 1982, between The Connecticut Bank and Trust Company, as Vendee, and Mercantile-Safe Deposit and Trust Company, as Agent.

See Number

- A

- B

- C

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

(1) Agent:

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza,
Baltimore, Maryland 31203.

(2) Lessee:

The Dow Chemical Company
2030 Dow Center,
Midland, Michigan 48640.

(3) Builder:

Procor Limited
2001 Speers Avenue,
Oakville, Ontario L6J 5E1

(4) Trustee-Lessor:

The Connecticut Bank and Trust Company,
One Constitution Plaza,
Hartford, Connecticut 06115.

Please file and record the documents referred to in this letter and index them under the names of the Trustee-Lessor, Lessee, Builder and Agent.

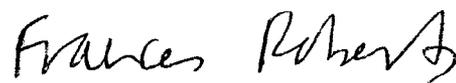
The equipment covered by the aforementioned Agreement appears in Exhibit A attached hereto and also bears the legend "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission".

There is also enclosed a check for \$100 payable to the Interstate Commerce Commission representing the required recordation fee.

Please stamp all counterparts of the enclosed Agreements with your official recording stamp. You will wish

to retain one copy of the instrument for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,



Frances Roberts
As Agent for The Dow
Chemical Company

Agatha L. Mergenovich,
Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423.

Encls.

13602/B

RECORDATION NO. Filed 1425

MAR 22 1982 - 2 25 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref: 3626-020]

LEASE OF RAILROAD EQUIPMENT

Dated as of January 15, 1982

between

THE DOW CHEMICAL COMPANY,
as Lessee,

and

THE CONNECTICUT BANK AND TRUST COMPANY,
as Lessor.

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LEASE OF RAILROAD EQUIPMENT dated as of January 15, 1982, between THE DOW CHEMICAL COMPANY, a Delaware corporation ("Lessee"), and THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not individually but solely in its capacity as Trustee ("Lessor") under a Trust Agreement dated as of the date hereof ("Trust Agreement"), with New England Merchants Leasing Corporation B-10 ("Owner").

WHEREAS the Lessor is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with Procor Limited, a Canadian corporation ("Builder"), pursuant to which the Builder has agreed to manufacture, sell and deliver to the Lessor certain units of railroad equipment described in Schedule A hereto ("Equipment");

WHEREAS the Builder is assigning its interest in the CSA to Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, acting as agent (together with its successors and assigns, "Vendor") under a Participation Agreement dated as of the date hereof ("Participation Agreement") with the Lessee, the Lessor, the Owner and Lincoln National Direct Placement Fund Inc. ("Investor" and, together with its successors and assigns, "Investors");

WHEREAS the Lessee desires to lease such number of units of the Equipment as are delivered and accepted and settled for under the CSA ("Units") at the rentals and for the terms and upon the conditions hereinafter provided; and

WHEREAS the Lessor will assign this Lease for security to the Vendor pursuant to an Assignment of Lease and Agreement ("Lease Assignment") and the Lessee will consent to the Lease Assignment pursuant to a Lessee's Consent and Agreement ("Consent");

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. Net Lease. This Lease is a net lease. The Lessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional and the Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or under the CSA, or against the Builder or the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final, and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. The Lessor will cause each Unit to be delivered to the Lessee at the point or points within Canada at which such Unit is delivered to the Lessor under the CSA. Upon such delivery, the Lessee will cause an employee of the Lessee or of one of its sub-

sidiaries to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Lessor under the CSA and the Lessee under the Lease, and the Lessee shall execute and deliver to the Lessor a certificate of acceptance ("Certificate of Acceptance"), in accordance with the provisions of Article 3 of the CSA, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Lessor on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon, except as provided in the next sentence hereof, such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. The delivery, inspection and acceptance hereunder of any unit of Equipment excluded from the CSA pursuant to the first paragraph of Article 4 thereof shall be null and void and ineffective to subject such unit to this Lease. The inspection and acceptance by the Lessee of any Unit shall not in any way release any rights which the Lessee or Lessor may have against the Builder thereof under any warranty relating to such Unit.

§ 3. Rentals. The Lessee agrees to pay to the Lessor, as rental for each Unit subject to this Lease, 40 consecutive semiannual payments payable on January 2 and July 2 of each year, commencing on July 2, 1983, to and including January 2, 2003 (each such date is called a "Rental Payment Date"). The first 20 semiannual rental payments shall be each in an amount equal to 7.765730% of the Purchase Price of each Unit and the last 20 semiannual rental payments shall be each in an amount equal to 9.491440% of the Purchase Price of each Unit; it being the understanding that the rentals payable pursuant to this § 3 on each Rental Payment Date shall be in no event less than the principal and interest payment due on each such date pursuant to Article 4 of the CSA.

The semiannual rental payments have been calculated on, among other things, the assumptions and based on the tax rate set forth in a letter dated as of the date hereof from the Owner to the Lessee. If for any reason such assumptions prove to be incorrect, then such semiannual rental payments and the related Casualty Values and Termination Values shall be increased or decreased, as the case may be, by such amount as shall cause the Owner's after-tax economic and accounting yields and after-tax cash flows to equal the after-tax economic and accounting yields and after-tax cash flows ("Net Economic Return") that would have been realized by the Owner if said assumptions had been correct.

All computations required to be made under this § 3 shall be made by the Owner, and the results of such computations shall be delivered to the Lessee in writing. Within 10 days after the receipt by Lessee of the results of such computations, the Lessee may request in writing that, at the Lessee's expense, independent public accountants of national standing and reputation (selected by the Lessor) shall verify such computations, after consultation with the Lessor and the Lessee.

All rental payments payable hereunder shall be in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

If any of the Rental Payment Dates referred to above is not a business day the semiannual rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Boston, Massachusetts, Baltimore, Maryland, Hartford, Connecticut, Midland, Michigan, or New York, New York, are authorized or obligated to remain closed.

The Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease, including, but not limited to, the payments provided for in this § 3 and in § 7 hereof, at the principal office of the Vendor, for the account of the Lessor in care of the Vendor, with instructions to the Vendor first, to apply such payments to satisfy the obligations of the Lessor under the CSA, and second, so long as no event of default or event which with the lapse of time and/or demand provided for in the CSA could constitute an event of default under the CSA shall have occurred and be continuing, to pay any balance promptly to the Lessor at such place as the Lessor shall specify in writing; provided that any indemnity payable to the Lessor as trustee and in its individual capacity or to the Owner pursuant to § 9 hereof and taxes and indemnities payable or reimbursed to the Owner or the Lessor under § 6 hereof shall be paid by check of the Lessee directly to the party to receive the same. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in immediately available funds to the Vendor by 11:00 a.m., Baltimore time, on the date such

payment is due.

All amounts earned in respect of the Units (including, without limitation, mileage charges) during the term of this Lease shall belong to the Lessee and, if received by the Lessor, shall, to the extent lawful, be promptly turned over to the Lessee so long as no Default exists hereunder.

§ 4. Term of Lease. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3 hereof. The obligations of the Lessee hereunder (including, but not limited to, the obligations under §§ 6, 7, 9 and 14 hereof) and under Paragraph 16 of the Participation Agreement shall survive the expiration of the term of this Lease or the termination or rescission of this Lease.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Vendor under the CSA. If an event of default should occur under the CSA, the Vendor may terminate this Lease or rescind its terms, all as provided therein; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Vendor is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment under § 12 hereof.

§ 5. Identification Marks. The Lessee will cause each Unit to be kept numbered with the road number set forth in Schedule A hereto, or as otherwise directed by the Lessor, and in the case of any Unit not there listed, such road number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one-half inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT, THE CONNECTICUT BANK AND TRUST COMPANY, TRUSTEE, OWNER, MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, TRUSTEE, MORTGAGEE" or other appropriate words designated by the Vendor or Lessor, with appropriate

changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's and Vendor's title to and interest in such Unit and the rights of the Lessor under this Lease and of the rights of the Vendor under the CSA. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked and will replace promptly any such markings which may be removed, obliterated, defaced or destroyed. The Lessee will not change the road number of any Unit unless and until (i) the Lessor shall have been given 180 days prior written notice from the Lessee of a proposed change, (ii) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Lessor and duly filed, recorded and deposited by the Lessee in all public offices where this Lease and the CSA shall have been filed, recorded and deposited and (iii) the Lessee shall have furnished the Vendor and the Lessor an opinion of counsel to such effect. Upon receipt by the Lessor of the notice referred to in clause (i) above with respect to any Unit, the Lessor at its option may direct the Lessee to have such Unit marked with a road number selected by the Lessor, and the Lessee at its own cost and expense shall forthwith cause the Unit to be marked as directed by the Lessor. The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any permitted sublessee.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor (both in its individual and fiduciary capacities) and the Owner (for purposes of this § 6 any reference to the Lessor shall also mean the Owner) for collection or other charges and will be free of expense to the Lessor (both in its individual and fiduciary capacities) with respect to the amount of any United States, Canadian or Mexican federal, provincial, local or state taxes other than the following amounts payable by the Lessor in consequence of the receipt of payments provided for herein:

- (a) any United States Federal net income tax;

(b) the aggregate of all United States state or local taxes measured solely by or based solely on net income of the Lessor; and

(c) any United States Federal or state minimum tax on items of tax preference (as defined in Section 57 of the Internal Revenue Code).

In no event shall any taxes referred to in the foregoing clauses (a), (b) and (c) be withheld from rents payable hereunder. Lessee shall also be responsible for any tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided, and for all license fees, assessments, charges, fines or penalties hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof. All such expenses, taxes, license fees, assessments, charges, fines and penalties for which Lessee is responsible are hereinafter called "Taxes", and the Lessee's payment thereof shall be on an after-tax basis to the Lessor. Lessee assumes and agrees to pay all Taxes before they become delinquent in addition to the payments to be made by it provided for herein.

The Lessee will also pay before they become delinquent all Taxes which may be imposed upon any Unit or for the use or operation thereof (except as provided above) or upon the earnings arising therefrom (except as provided above) or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all Taxes which might in any way affect the title of the Lessor or result in a lien upon any such Unit.

However, the Lessee shall not be under any obligation to pay any Taxes of any kind so long as it is contesting in good faith and by appropriate legal or administrative proceedings such Taxes, and the nonpayment thereof does not, in the reasonable opinion of the Lessor, adversely affect the title, property or rights of the Lessor hereunder or the Vendor under the CSA. The Lessee agrees to give the Lessor notice of such contest within 30 days after institution thereof, and the Lessor agrees to provide such information as may be reasonably requested by the Lessee in furtherance of such contest; provided, however, that the Lessee shall indemnify the Lessor (both in its individual and fiduciary

capacities) for all reasonable costs and expenses, including attorneys' fees and disbursements, in connection with such contest. If any Taxes shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of an invoice therefor. The Lessor shall give the Lessee written notice of such Tax prior to such payment, and within a reasonable time in view of the time for contesting such Tax.

In the event any reports with regard to Taxes are required to be made, the Lessee will, where permitted so to do under applicable rules or regulations, make and timely file such reports in such manner as to show the interest of the Lessor and the Vendor as shall be reasonably satisfactory to the Lessor and the Vendor, or where not so permitted will notify the Lessor and the Vendor of such requirement and will prepare and deliver such reports to the Lessor and the Vendor within a reasonable time prior to the time such reports are to be filed in such manner as shall be satisfactory to the Lessor and the Vendor.

In the event that, during the continuance of this Lease, the Lessee become liable for the payment or reimbursement of any Tax pursuant to this § 6, such liability shall continue, notwithstanding the termination or expiration of this Lease, until such Taxes are paid or reimbursed by the Lessee.

To the extent the Lessee may be prohibited by law from performing in its own name the duties required by this § 6, the Lessor hereby authorizes the Lessee to act in the Lessor's own name and on the Lessor's behalf to perform such duties; provided, however, that the Lessee shall indemnify and hold the Lessor (both in its individual and fiduciary capacities) harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action by the Lessee pursuant to this authorization.

In the event that:

(a) the Lessor shall become obligated to make any payment (i) pursuant to Article 6 of the CSA to the Vendor, or (ii) otherwise pursuant to any correlative provision of the CSA except for the interest payable by the Lessor on January 2, 1983, pursuant thereto, or

(b) the Owner shall become obligated to make payment to the Lessor pursuant to any similar provision with respect to taxes in the Trust Agreement not covered by the foregoing paragraph of this § 6,

the Lessee shall pay such additional amounts to the Lessor as will enable the Lessor to fulfill its obligations pursuant to said provision. Such additional amounts shall also be deemed "Taxes" hereunder.

§ 7. Maintenance, Casualty Occurrences, Insurance and Early Termination.

Maintenance. The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted. Each Unit will be maintained at least as well as other similar equipment owned or leased by the Lessee, which will conform to any conditions set forth in the applicable builder's warranties during the term of such warranties.

Casualty Occurrences. In the event that any Unit shall be or become lost, stolen, destroyed or irreparably damaged, from any cause whatsoever, returned to the Builder pursuant to the patent indemnity provisions of the CSA, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States or Canadian Government unless such requisition is for a stated period in excess of three years, for a stated period which would extend beyond the term of this Lease or for an indefinite period which requisition in fact extends beyond three years or the term of this Lease (such occurrences are called "Casualty Occurrences"), prior to the return of such Unit in the manner set forth in § 14 hereof, the Lessee shall promptly and fully notify the Lessor and the Vendor with respect thereto.

On the Rental Payment Date next succeeding such notice (the "Casualty Payment Date"), the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such Casualty Payment Date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with the schedule referred to below, except that with respect to a requisition by the United

States or Canadian Government for an indefinite period which requisition in fact extends beyond the term of this Lease, the Lessee shall pay to the Lessor on or before January 2, 2003, which date shall be a Casualty Payment Date, an amount equal to the rental payment or payments in respect of such Unit due and payable on said date, plus a sum equal to the Casualty Value of such Unit as of said date.

Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft, complete destruction or return to the Builder of such Unit) the Lessor shall be entitled to recover possession of such Unit.

The Lessor hereby appoints the Lessee its agent to dispose of any such Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable under the circumstances on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, the Lessee shall be entitled to the proceeds of such sale (after deduction of all reasonable selling costs) to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor. The Lessee shall be entitled to credit against the Casualty Value payable in respect of any Unit returned to the Builder pursuant to the patent indemnity provisions of the CSA in an amount equal to any payment made by the Builder to the Lessor in respect thereof under the CSA.

The Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of such Unit as is set forth in Schedule B hereto opposite such date.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease and before such Unit shall have been returned in the manner provided in § 14 hereof, the Lessee shall promptly and fully notify the Lessor with respect thereto and pay to the Lessor an amount equal to the Casualty Value of such Unit. Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Lessor shall be entitled to recover possession of such Unit. The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable under

the circumstances on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, the Lessee shall be entitled to the proceeds of such sale (after deduction of all reasonable selling costs) to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor.

In the event of the requisition for use by a Government of any Unit during the term of this Lease which does not result in a Casualty Occurrence or any Unit is requisitioned during any renewal of this Lease, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred. All payments received by the Lessor or the Lessee from such Government for the use of such Unit during the term of this Lease or any renewal thereof shall be paid over to, or retained by, the Lessee provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing; and all payments received by the Lessor or the Lessee from such Government for the use of such Unit after the term of this Lease or any renewal thereof, shall be paid over to, or retained by, the Lessor.

Except as hereinabove in this § 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

Insurance. From the time any Unit is accepted by the Lessee and throughout the term of this Lease, (i) the Lessee may, at its sole expense and in its sole discretion, assume the risk in respect of any or all of the Units in respect of events of actual or constructive loss of the Equipment, including, but not limited to, insurance against the loss of, or damage to the Equipment, and (ii) the Lessee will, if requested by the Lessor or the Vendor, at its sole expense, obtain and maintain insurance on each Unit from time to time subject hereto, with such insurers, covering such risks and in such amounts as the Lessor or the Vendor may reasonably require with respect to public liability and third-party property damage insurance covering liability for personal injuries, death or property damage resulting from the ownership, maintenance, use or operation of the Equipment. All insurance policies required hereby shall, without limitation of the foregoing:

(i) name the Lessor and the Vendor as additional named insureds as their respective interests may appear; and

(ii) provide that the policy may not be canceled or materially altered without thirty (30) days, prior written notice to the Lessor and the Vendor.

To the extent that the Lessee does not assume the risk in respect of any or all of the Units, the Lessee hereby agrees to provide the Lessor and the Vendor with certificates evidencing the coverages specified in this paragraph; said certificates will be delivered to the Lessor and the Vendor on or before April 30 in each year, commencing with the year 1982; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof.

In the event of loss and the Lessee has assumed the risk as provided above, the Lessee will make such payments, hereinafter called "self insurance proceeds", and take such other action as would have been required to have been taken by each insurance company which would have been obligated in respect of such insurance had such insurance been obtained and maintained by the Lessee.

If the Lessor shall receive any insurance or self insurance proceeds from insurance maintained by the Lessee pursuant hereto or directly from the Lessee pursuant to the Lessee's right to assume the risk in respect of any or all of such Units or shall receive condemnation payments in respect of a Unit suffering a Casualty Occurrence, the Lessor shall, subject to the Lessee having made payment of the Casualty Value in respect of such Unit, pay such proceeds or condemnation payments to the Lessee up to an amount equal to the Casualty Value paid by the Lessee, and any balance of such proceeds or condemnation payments shall remain the property of the Lessor; provided, however, that no Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value thereof, and accrued rentals in respect of such Units, to the Lessor. All insurance proceeds or self insurance proceeds received by the Lessor in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect of which such proceeds were paid has been fully repaired.

Early Termination. In the event that the Lessee shall, in its reasonable judgment, determine that any Group (as hereinafter defined) of Units has become economically obsolete in the Lessee's business, the Lessee shall have the right, at its option and on at least 180 days' prior written notice to the Lessor, to terminate this Lease as to such Group as of any succeeding rent payment date specified in such notice (the termination date specified in such notice is called the "Termination Date"); provided, however, that (i) the Termination Date shall not be earlier than January 2, 1990, (ii) no Event of Default or other event which after the lapse of time or notice or both would become an Event of Default shall have occurred and be continuing and (iii) on the Termination Date each Unit in such Group shall be in the same condition as if being redelivered pursuant to § 14 hereof. For this purpose, the term "Group of Units" shall mean all units with the same Builder's Specifications (as set forth in Schedule A hereto) subject to this Lease at the Termination Date.

During the period from the 90th day after the giving of such notice until the fifth business day preceding the Termination Date, the Lessee shall use its best efforts, and the Lessor may assist if it so chooses, to obtain bids for the purchase of all Units in such Group, and the Lessee shall at least five business days prior to such Termination Date certify to the Lessor the amount of each such bid and the name and address of the party (which shall not be a corporation or individual affiliated with the Lessee or any party from whom the Lessee or any such affiliate intends thereafter to lease such Unit) submitting such bid. On the Termination Date the Lessor shall sell all Units in such Group for cash to the bidder who shall have submitted the highest bid prior to the Termination Date. The total sale price realized at each such sale shall be retained by the Lessor.

On such Termination Date, the Lessee shall pay to the Lessor (i) the excess, if any, of the Termination Value for each such Unit computed as of such date over the sale price of such Unit after the deduction of all expenses incurred by the Lessor in connection with such sale and (ii) the rental payment due on such Termination Date. The Termination Value of each such Unit as of the payment date on which payment is to be made shall be that percentage of the Purchase Price of such Unit as is set forth in Schedule B hereto opposite such date. In no event shall the aggregate

amount retained by the Lessor and received by the Lessor as aforesaid be less than the Termination Value (as defined in the CSA) as of such date.

If no sale shall occur on the date scheduled therefor as provided above, this Lease shall continue in full force and effect without change unless and until the Lessee pays the Lessor an amount equal to the Termination Value and returns any unsold Unit to the Lessor pursuant to § 14 hereof.

In the event of any such sale and the receipt by the Lessor of the amounts above described, the obligation of the Lessee to pay rent pursuant to § 3 hereof in respect of such Unit on each rental payment date shall continue to and including the Termination Date but shall then terminate. The Lessor shall be under no duty to solicit bids, to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale other than to transfer or to cause to be transferred all of the Lessor's right, title and interest in and to such Unit to the purchaser named in the highest bid certified by the Lessee to the Lessor as above provided. Any such sale shall be free and clear of all of the Lessee's rights to such Unit, but otherwise shall be made without warranties other than against the Lessor's acts.

If the Lessee shall exercise its option to terminate, the Lessor may, notwithstanding such election by the Lessee, by written notice to the Lessee given 90 days after the termination notice is given to the Lessor, elect to retain such Unit, in which case the Lessee shall not be obligated to pay the Termination Value to the Lessor; provided, however, that this Lease shall not terminate as to such Unit unless the CSA Indebtedness in respect of such Unit is prepaid on the Termination Date pursuant to Article 7 of the CSA. In the event the Lessor shall so elect to retain such Unit, the Lessee shall deliver such Unit to the Lessor in accordance with the provisions of § 14 hereof.

§ 8. Reports. On or before April 15 in each year, commencing with the calendar year 1983, the Lessee will furnish to the Lessor and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the CSA, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during

the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Lessor or the Vendor may reasonably request, (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof and by the CSA have been preserved or replaced and (c) further stating that the Lessee is in compliance under the Lease and has performed or has caused to be performed the required maintenance of the Units and that no event has occurred which with the lapse of time or notice or both would constitute an Event of Default. The Lessor, at its sole cost and expense, shall have the right by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

Upon request by the Lessor, the Lessee will prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than tax returns except as required by the provisions of § 6 hereof) to be filed by the Lessor with any Federal, state or other regulatory authority by reason of the ownership by the Lessor or the Vendor of the Units or the leasing thereof to the Lessee. The Lessee shall use its best efforts to advise the Lessor of any such reports.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification.

Disclaimer of Warranties. THE LESSOR DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, all such risks, as between the Lessor and the Lessee, to be borne by the Lessee.

The Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole

cost and expense, whatever claims and rights the Lessor may have against the Builder under the provisions of Items 3 and 4 of Annex A of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

Compliance with Laws and Rules. The Lessee agrees, for the benefit of the Lessor and the Vendor, to comply in all respects (including without limitation, with respect to the use, maintenance and operation of each Unit) with all applicable laws of the jurisdictions in which operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transport (Canada) and the United States Department of Transportation and the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units (all such laws and rules are called "Applicable Laws"), and in the event that, prior to the expiration of this Lease or any renewal hereof, such Applicable Laws require any alteration, replacement, addition or modification of or to any part on any Unit, the Lessee will conform therewith at its own expense, and title to any additions or improvements so made shall thereupon vest in the Lessor; provided, however, that the Lessee may at its own expense upon written notice thereof to the Lessor, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Lessor or the Vendor,

adversely affect the property or rights of the Lessor or the Vendor under this Lease or under the CSA. The Lessee, at its own cost and expense, may furnish additions, modifications and improvements to the Units during the term of this Lease provided that such additions, modifications and improvements are readily removable without causing not more than nominal damage to the Units (and do not adversely affect the value of the Units). The additions, modifications and improvements made by the Lessee under the preceding sentence shall be owned by the Lessee, and shall be removed by the Lessee, at its expense, upon or prior to return of any Unit to the Lessor pursuant to § 11 or § 14 hereof, unless the Lessor otherwise agrees.

Indemnification. The Lessee agrees to indemnify, protect and hold harmless the Lessor (in both its individual and fiduciary capacities), the Owner and the Vendor from and against all losses, damages, injuries, liabilities, (including, without limitation, strict liability in tort) claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of the entering into or the performance of the CSA, the Participation Agreement or this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in § 14 of this Lease or the transfer of title to the Equipment by the Vendor pursuant to any provision of the CSA (all of which matters hereinabove set forth in this paragraph of § 9 called the "Indemnified Matters"). The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the expiration or termination of the term of this Lease.

The indemnities contained in this § 9 shall not extend to any loss, damage, injury, liability, claim, demand, cost, charge or expense incurred by any indemnified party (a) caused by the wilful misconduct or gross negligence of such indemnified party, (b) resulting from acts or events with respect to any Unit which commence after such Unit has been returned to the Lessor in accordance with § 14 hereof, (c) caused by the violation by such indemnified party of

any banking, investment, insurance or securities law, rule or regulation applicable to it (unless such violation shall be the result of any written misrepresentation, violation or act of the Lessee) or (d) arising from the breach of an express duty, obligation, representation or warranty of such indemnified party made herein or in any of the documents related to the transactions contemplated hereby. No such report shall set forth information which is inconsistent with the ownership of the Units by the Lessor or which implies that this Lease is not a true Lease.

§ 10. Default. If, during the continuance of this Lease, one or more of the following events (an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3, 7 or 13 hereof, and such default shall continue for five business days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof;

(C) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Participation Agreement, and such default shall continue for 30 days after written notice from the Lessor or the Vendor to the Lessee specifying the default and demanding that the same be remedied;

(D) any representation or warranty made by the Lessee herein or in the Participation Agreement or in any certificate or statement furnished to the Trustee or the Owner pursuant to or in connection with any such agreements proves untrue in any material respect as of the date of issuance or making thereof and remains unremedied for 30 days after written notice from the Lessor or the Vendor specifying the default and demanding that the same be remedied;

(E) any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder, under any bankruptcy or insolvency laws, or laws relating to the relief of debtors,

readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder) and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and under Paragraph 16 of the Participation Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for its property in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

(F) an event of default set forth in Article 15 of the CSA shall have occurred as a result of any default by the Lessee in performing any of its obligations under the Consent;

then, in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession (without judicial process where such process is not required) of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty

to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of a bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify:

(x) a sum, with respect to each Unit, equal to the excess of the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rental which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 9% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or

(y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the Lessor reasonably estimates to be the sales value of such Unit at such time;

provided, however, that in the event the Lessor shall have sold any Unit, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment

date on or next preceding the date of termination over the net proceeds of such sale.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The 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 not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

The Lessee agrees to furnish the Lessor, the Owner and the Vendor, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this paragraph, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

§ 11. Return of Units upon Default. If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted and meet the standards in effect upon return of the Units under the Interchange Rules of the Association of American Railroads and/or the applicable rules of any governmental agency or other organization with jurisdiction. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been interchanged to return the Unit or Units so interchanged) place such Units upon such storage tracks of the Lessee or any of its affiliates or, at the expense of the Lessee, on any other storage tracks, as the Lessor reasonably may designate;

(b) permit the Lessor to store such Units on such tracks at the risk of the Lessee without charge for insurance, rent or storage until such Units have been sold, leased or otherwise disposed of by the Lessor; and

(c) transport the same to any place on any lines of railroad or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will, at its own cost and expense, insure, maintain and keep the Equipment in good order and repair and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if

received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 30 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day (a) after such 30th day and until 60 days after the expiration of this Lease, an amount equal to the amount, if any, by which 1/180th of the last rental payment due hereunder prior to the expiration of this Lease, exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for such Unit pursuant to the preceding sentence (the "Daily Rate") and (b) thereafter twice the Daily Rate.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 11, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§ 12. Assignment; Possession and Use. This Lease shall not be assignable in whole or in part by the Lessor without the consent of the Lessee, which consent shall not be unreasonably withheld except as provided in Article VI of the Trust Agreement, but the Lessee shall be under no obligation to the assignee except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee and such assignee shall have all of the rights of the Lessor hereunder as may be specified in such assignment. All the rights of the Lessor hereunder (including, but not limited to, the rights under §§ 6, 7, 9 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns including the Vendor, except as may be limited in any assignment thereof.

So long as the Lessee shall not be in default under this Lease and no event of default shall exist under the CSA, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease but, without the prior written consent of the Lessor and the Vendor, the Lessee shall not assign or transfer its leasehold

interest under this Lease in the Units or any of them except and then only so long as the Lessee shall not then be in default under this Lease (and subject to this Lease and to the rights of the Lessor hereunder, and without releasing the Lessee from its obligations hereunder), to an Affiliate, or under a written sublease to a railroad classified by the Interstate Commerce Commission as a Class I railroad or to a major Canadian railroad or any other responsible company subject in each case to the written consent of the Lessor, which shall not be unreasonably withheld; and the Lessee shall not, without such written consent, except as provided in this § 12 part with the possession of, or suffer or allow to pass out of its possession or control, any of the Units. The Lessor hereby consents to such a sublease to Dow Chemical Canada Inc. ("Dow Canada"). For the purpose of this § 12, "Affiliate" shall mean any corporation which, directly or indirectly, controls or is controlled by, or is under common control with, the party in question. For the purposes of this definition, "control (including controlled by and under common control with)", as used with respect to any corporation, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities or by contract or otherwise. Every such sublease shall expressly subject the rights of the sublessee under such sublease to the rights of the Lessor in respect of the Units covered by such sublease in the event of the happening of an Event of Default. The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or the Vendor or resulting from claims against the Lessor or the Vendor not related to the ownership of the Units) upon or with respect to any Unit or the interest of the Lessor, the Vendor or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as the Lessee shall not be in default under this Lease and no event of default shall exist under the CSA, the Lessee shall be entitled to the possession of the Units and to the use of the Units by it or Dow Canada

upon lines of railroad owned or operated by it or Dow Canada or upon lines over which the Lessee or Dow Canada has or obtains trackage or other operating rights or over which railroad equipment of the Lessee or Dow Canada is regularly operated pursuant to contract, and also to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and subject to all the terms and conditions of this Lease; provided that the Lessee shall not be permitted to use or permit the use of any of the Units outside the United States of America or Canada, except that the Lessee shall be permitted to use or permit the use of a maximum of 15% of the Units in Mexico without further registration of security interests or of this Lease. To the extent lawful, the Lessee may receive and retain compensation for such use from other railroads so using any of the Units.

§ 13. Renewal Option and Duty of First Offer.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than six months nor more than 12 months prior to the end of the original term elect to extend the term of this Lease in respect of all (but not fewer than all) the Units then covered by this Lease, for one additional five-year period commencing on the scheduled expiration of the original term, at a rental per Unit equal to (a) 50% of the average semi-annual rental rates in effect hereunder during the Base Lease Term multiplied by (b) the Purchase Price of the Units, payable in semiannual payments on each semiannual anniversary of the date of expiration of the original term.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, and provided that this Lease is not extended pursuant to the provisions of this § 13, in the event the Lessor elects to sell any Units to unrelated third parties within a period of one year after the expiration of the original term of this Lease, then, the Lessor shall first offer such Units for sale to the Lessee at their fair market value. If after 45 days from the giving of notice by the Lessor to the Lessee of its intention to sell the Units, the Lessor and Lessee are unable to agree upon a determination of a sale price, the Lessor shall be free to offer and sell the Units to other persons at a price not less than the last price offered by Lessor to Lessee prior to the termination of sale negotiations between

the Lessor and Lessee.

§ 14. Return of Units upon Expiration of Term.

Upon the expiration of the term of this Lease with respect to any Unit, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor at such location in Canada or in the United States within 500 miles of the Canadian border as the Lessor may designate, or in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit at such place for a period not exceeding 90 days from the date on which 90% of the Units then subject to this Lease (excluding Units with respect to which the term of this Lease is being renewed pursuant to § 13 hereof) are placed in storage under this § 14. Notwithstanding the previous sentence, the Lessee may elect to deliver and store any Unit at a location selected by the Lessee within 50 miles from the location designated by the Lessor; provided, however, that within 15 days after receipt of a written request from the Lessor, the Lessee shall deliver such Unit to the location originally designated by the Lessor. All movement and storage of each such Unit is to be at the risk and expense of the Lessee, except for U.S. customs duties, if any, in the event that any of the Units are deemed imported into the United States, and the insurance requirements contained in § 7 hereof shall continue to apply throughout such period of movement and storage. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The provisions of this § 14 are of the essence of this Lease, and accordingly the Lessor shall be entitled to specific performance thereof. Each Unit returned to the Lessor pursuant to this § 14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads and/or the applicable rules of any governmental agency or other organization with jurisdiction. All amounts earned in respect of the Equipment after the date of expiration of this Lease shall belong to the Lessor and, if received by the

Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored as hereinabove provided within 30 days after the expiration of this Lease, the Lessee shall, in addition, pay to the Lessor for each day (a) after such 30th day and until 60 days after the expiration of this Lease, an amount equal to the Daily Rate as defined in § 11 of this Lease, and (b) thereafter, twice the Daily Rate.

§ 15. Recording. The Lessee, at its own expense, will cause this Lease, the CSA and each assignment hereof or thereof to be filed and recorded with (i) the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303, (ii) in the applicable offices of British Columbia, Alberta, Saskatchewan, Ontario, and Manitoba and (iii) in the applicable office of each other county, province or territory in which any Unit will be used, subject to the proviso set forth in the next sentence. The Lessee will undertake, at its own expense, the filing, registering, deposit, and recording required of the Lessor under the CSA and 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 the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the CSA and the assignment thereof to the Vendor; provided, however, that the Lessee shall not be required to take any such action in respect of the jurisdictions referred to in clause (iii) above if (1) the Lessee deems such action to be unduly burdensome, (2) if after giving effect to the failure to take such action, the Lessee has taken all action required by law to protect the title of the Lessor to, and the security interest of the Vendor in, Units having a fair market value of not less than 85% of all the Units then subject to this Lease and (3) any Unit at any time located in such jurisdiction shall have been marked with markings specified in § 5 hereof. The Lessee will promptly furnish to the Vendor and the Lessor evidence of all such filing, registering, depositing or recording required by clause (iii) above, and an appropriate opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor. This Lease and the CSA shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 16. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, interest at a rate of 18-1/4% per annum (the "Overdue Rental Rate").

§ 17. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessor, at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department, with a copy to the Owner at Fifty Milk Street, Boston, Massachusetts 02109, Attention of Vice-President--Administration; and

(b) if to the Lessee, at 2030 Dow Center, Midland, Michigan 48640, Attention of Corporate Treasury Department;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Copies of each such notice shall be given to the Vendor at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department.

§ 18. Severability; Effect and Modification of Lease. Any provision of this Lease 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.

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

§ 19. Execution. This Lease may be executed in

several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor pursuant to the Assignment hereof to the Vendor shall be deemed to be the original, and all other counterparts shall be deemed duplicates thereof. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 20. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Michigan; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing, recording or deposit hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Lease or any assignment hereof shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the markings of the units of Equipment.

§ 21. No Guaranty of CSA Indebtedness or Residual Value. Nothing in this Lease is intended or shall be construed to constitute a guarantee by the Lessee of the CSA Indebtedness of the Vendee under the CSA or a guarantee of the residual value of any Unit.

§ 22. Immunities; No Recourse. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the financial institution acting as the Lessor, are made and intended not as personal representations, warranties, covenants, undertakings and agreements by said financial institution, or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Lease is executed and delivered by said financial institution not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of gross negligence or wilful misconduct on the part of said financial institution, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against

said financial institution or the Owner on account of this Lease or on account of any representation, warranty, covenant, undertaking or agreement of the Lessor or the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Vendor and by all persons claiming by, through or under either of them.

§ 23. Lessor's Right to Perform for the Lessee.

If the Lessee fails to perform or comply with any of its agreements contained herein, the Lessor may upon notice to the Lessee perform or comply with such agreement including the obligation to pay rent, and the amount of the reasonable cost and expenses of the Lessor incurred in connection with such performance or compliance, together with interest on such amount at the Overdue Rental Rate, as defined in § 16, shall be payable by the Lessee upon demand. No such performance or compliance by the Lessor shall be deemed a waiver of the rights and remedies of the Lessor or any assignee of the Lessor against the Lessee hereunder.

§ 24. Third Party Beneficiaries.

Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than the Vendor, any builder and the permitted successors and assigns of a party) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party except as aforesaid.

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

THE DOW CHEMICAL COMPANY, as
Lessee,

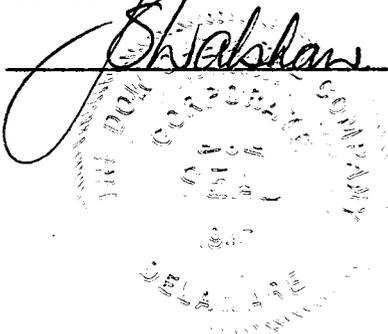
by

Robert H. Reed

[Corporate Seal]

Attest:

J. H. Alsham



THE CONNECTICUT BANK AND TRUST
COMPANY, as Lessor,

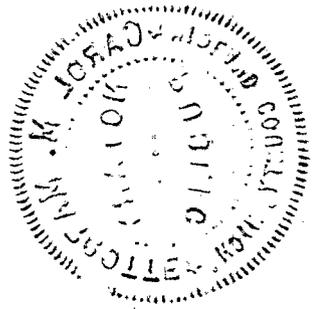
by

Authorized Officer

[Corporate Seal]

Attest:

Authorized Officer



Interstate Commerce Commission
Washington, D.C. 20423

3/22/82

OFFICE OF THE SECRETARY

Frances Roberts
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

Déar **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 **3/22/82** at **2:35pm**, and assigned re-
recording number (s).

13602, 13602-A, 13602-B & 13602-C

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure (s)

[CS&M Ref: 3626-020]

AGREEMENT AND ASSIGNMENT

Dated as of January 15, 1982

between

PROCOR LIMITED

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Assignee

AGREEMENT AND ASSIGNMENT dated as of January 15, 1982, between PROCOR LIMITED ("Builder") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, acting as Agent under a Participation Agreement dated as of the date hereof ("Assignee").

WHEREAS the Builder and The Connecticut Bank and Trust Company, as Trustee ("Vendee"), under a Trust Agreement dated as of the date hereof ("Trust Agreement"), with New England Merchants Leasing Corporation B-10 have entered into a Conditional Sale Agreement dated as of the date hereof ("CSA") covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendee of the railroad equipment described in Annex B to the CSA ("Equipment"); and

WHEREAS the Vendee and The Dow Chemical Company ("Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the lease to the Lessee of the Equipment;

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT ("Assignment") WITNESSETH: that in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. The Builder hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) all the right, title and interest of the Builder in and to each unit of the Equipment manufactured by it when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to the Builder of the amount required to be paid pursuant to Section 4 hereof and of the amounts due to the Builder under the CSA;

(b) all the right, title and interest of the Builder in and to the CSA (except the right to construct and deliver the Equipment, the right to receive the payments specified in subparagraph (a) of the third para-

graph of Article 4 thereof, the indemnity of the Builder pursuant to Article 13 of the CSA and reimbursement for taxes paid or incurred by the Builder), and except as aforesaid in and to any and all amounts which may be or become due or owing to the Builder under the CSA on account of the indebtedness in respect of the Purchase Price (as defined in the CSA), of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) of this paragraph, all the Builder's rights, titles, powers, privileges and remedies under the CSA;

without any recourse hereunder, however, against the Builder for or on account of the failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Builder to deliver the Equipment in accordance with the CSA or with respect to its warranties and agreements referred to in Article 13 of the CSA or relieve the Vendee from its obligations to the Builder contained in Articles 2, 3, 4, 6 and 13 of the CSA. In furtherance of the foregoing assignment and transfer, the Builder hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The Builder agrees that it shall construct the Equipment in full accordance with the CSA and will deliver the same upon completion to the Vendee in accordance with the provisions of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by the Builder. The Builder further agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of each unit of the Equipment manufactured by it under the CSA it had legal

title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature arising from, through or under the Builder except only the rights of the Vendee under the CSA and the rights of the Lessee under the Lease; and the Builder further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims arising from, through, or under the Builder originating prior to the delivery of such unit by the Builder under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to the Vendee under the CSA until the CSA and the Lease have been filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 (the Builder and its counsel being entitled to rely on advice from special counsel for the Assignee that such filing has occurred).

SECTION 3. The Builder agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the CSA for any installment of, or interest on, indebtedness in respect of the Purchase Price of the Equipment manufactured by it or to enforce any provision of the CSA, the Builder will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by the Builder of any obligation with respect to such Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by the Builder. The Builder's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 14 of the CSA, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to the Builder of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving the Builder the right, at the Builder's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Vendee or the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Annex A to the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment manufactured by the Builder of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Article 4 of the CSA with respect to a Group (as defined in said Article 4) of the Equipment, shall pay to the Builder an amount in Canadian dollars equal to the portion of the Purchase Price thereof which, under the terms of said Article 4, is payable in installments, provided that there shall have been delivered to the Assignee on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel hereinafter mentioned, in such number of counterparts as may be reasonably requested by said special counsel:

(a) a bill or bills of sale from the Builder of the units being settled for to the Assignee transferring to the Assignee the security interest of the Builder in such units, warranting to the Assignee and to the Vendee that, at the time of delivery of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature arising from, through or

under the Builder except only the rights of the Vendee under the CSA and the rights of the Lessee under the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims arising from, through or under the Builder originating prior to the delivery of such units by the Builder under the CSA;

(b) a Certificate or Certificates of Acceptance with respect to the units of the Equipment in such Group as contemplated by Article 3 of the CSA and § 2 of the Lease;

(c) an invoice of the Builder for the units of the Equipment in such Group accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(d) an opinion of counsel for the Builder, dated as of such Closing Date, addressed to the Assignee and the Vendee, to the effect that under the laws of the Province of Ontario the aforesaid bill or bills of sale have been duly authorized, executed and delivered by the Builder and are valid and effective to vest in the Assignee the security interest of the Builder in the units of the Equipment in such Group, free from all claims, liens, security interests and other encumbrances (other than those created by the CSA and the rights of the Lessee under the Lease) arising from, through or under the Builder; and

(e) a receipt from the Builder for any payment (other than the payment being made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to the Builder with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Vendee.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon payment by the Vendee of the amount required to be paid by it pursuant to subparagraph (a) of the third paragraph of Article 4 of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Builder, without recourse to the Assignee, all right, title and interest of

the Assignee in and to the units of the Equipment with respect to which payment has not been made by the Assignee.

SECTION 5. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder hereby:

(a) represents and warrants to the Assignee, the Vendee and their successors and assigns, that the CSA was duly authorized by it and lawfully executed and delivered by it, that, assuming due authorization, execution and delivery by the Vendee, the CSA is, insofar as the Builder is concerned, a legal, valid and existing agreement binding upon and enforceable against the Builder in accordance with its terms and that it is now in force without amendment thereto;

(b) agrees that it will from time to time, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do all such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee by the Builder or intended so to be; and

(c) agrees that, upon payment in full to the Builder and at the request of the Assignee or the Vendee, or their successors and assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Connecticut; provided, however, that

the parties shall be entitled to all the rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording or deposit of the CSA and this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Assignment shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the markings on the units of Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, Procor Limited has caused its corporate seal to be affixed hereunto duly attested by the hands of its authorized signing officers in that behalf at the Town of Oakville, in the Regional Municipality of Halton in the Judicial District of Halton, in the Province of Ontario as of the date first above written.

PROCOR LIMITED,

Per: _____
Gordon Clifford Mills,
Vice President and
General Manager

Per: _____
William Elmer McDougall
Assistant Secretary and
Assistant Treasurer

IN WITNESS WHEREOF, the Mercantile-Safe Deposit and Trust Company, pursuant to due corporate authority, has caused this instrument to be executed in its corporate name by a duly authorized official, and its corporate seal to be hereunto affixed and duly attested, all as of the date first above written.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent,

by

Assistant Vice President

[Corporate Seal]

Attest:

Assistant Corporate Trust Officer

CANADA)
)
PROVINCE OF ONTARIO)
)
JUDICIAL DISTRICT OF HALTON)
)
TO WIT:)

On this day of 1982, at the Town of
Oakville, in the Regional Municipality of Halton, in the
Province of Ontario, Canada, before me personally appeared
Gordon Clifford Mills and William Elmer McDougall, each to
me personally known, who, being duly sworn, say that they are
respectively Vice President and General Manager, Rail Car
Division; and Assistant Secretary and Assistant Treasurer of
PROCOR LIMITED, and that one of the seals affixed to the
foregoing instrument is the corporate seal of said Corpora-
tion, and that said instrument was signed and sealed on
behalf of said Corporation by authority of its Board of
Directors, and they acknowledged that the execution of the
foregoing instrument was the free act and deed of said
Corporation.

Barrister and Solicitor,
Commissioner and Notary Public
for taking Affidavits in and
for the Province of Ontario,
Canada

My Commission expires
at the pleasure of Her
Majesty The Queen in the
right of the Province of
Ontario, Canada.

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this day of 1982, before me personally appeared , to me personally known, who being by me duly sworn, says that he is an Assistant Vice President of Mercantile-Safe Deposit and Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

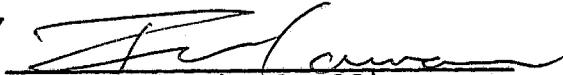
My Commission expires

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of January 15, 1982.

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee,

by


Authorized Officer