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No. 2-264A114
SEP 21 1982

Date
Fee \$ 10.00

RECORDATION NO. 13628-D Filed 1428

ICC Washington, D. C.

SEP 21 1982 - 3 15 PM
INTERSTATE COMMERCE COMMISSION

September 20, 1982

Amended and Restated Participation Agreement
and Amendment Dated as of September 1, 1982
Amending Conditional Sale Agreement Filed Under
Recordation No. 13628 and Lease Filed Under
Recordation No. 13628-B

SEP 21 3 09 PM '82

RECEIVED

Dear Ms. Mergenovich:

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

Amended and Restated Participation Agreement and Amendment ("Amendment"), dated as of September 1, 1982, among Burlington Northern Railroad Company, as Lessee, The Connecticut Bank and Trust Company, as Trustee, Mercantile-Safe Deposit and Trust Company, as Agent, and the parties named in appendices I and II thereto.

The Amendment amends a Conditional Sale Agreement dated as of April 1, 1982, previously filed and recorded with the Interstate Commerce Commission on April 27, 1982, at 12:05 p.m., Recordation Number 13628, and a Lease of Railroad Equipment dated as of April 1, 1982, previously filed and recorded as above with the Interstate Commerce Commission on April 27, 1982, at 12:05 p.m., Recordation Number 13628-B.

This one is
13628-D

Christenford - James McCaughy

The amendments to the Conditional Sale Agreement and the Lease are set forth on pages 29 through 33 and pages 45 through 49 of the Amendment. The enclosed counterparts are signed and acknowledged by each of the present parties in interest to the Conditional Sale Agreement and the Lease. The other signature lines which appear in the enclosed counterparts are not relevant for this purpose since they apply only to the Restated Participation Agreement which is not a document on file with the Commission.

Please file and record the Amendment submitted with this letter and assign it Recordation Number 13628-D.

Enclosed is a check for \$10.00 payable to the Interstate Commerce Commission for the recordation fee for the Amendment.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one copy of the instrument and this transmittal letter for your files. It is requested that the remaining counterparts of the document be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
as Agent for Burlington
Northern Railroad Company

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

Encls.

95A

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Laurance V. Goodrich
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N. Y. 10005

September 21, 1982

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/21/82 at 3:15PM, and assigned re-
recording number (s). 13628-D

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure (s)

(CS&M Ref. 5415-005)

AMENDED AND RESTATED PARTICIPATION AGREEMENT
AND AMENDMENT

AMONG

BURLINGTON NORTHERN RAILROAD COMPANY,
as Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent,

the PARTIES NAMED IN APPENDIX II HERETO,
as Owners,

THE CONNECTICUT BANK AND TRUST COMPANY,
as Trustee,

CONNELL FINANCE COMPANY, INC.,
as Investor,

and

the PARTIES NAMED IN APPENDIX I HERETO,
as Permanent Investors,

DATED AS OF SEPTEMBER 1, 1982

(Covering 53 GE Diesel Electric Locomotives)

conditional Sale Indebtedness due January 2, 1999

ing and restating the Participation Agreement and
ding the Conditional Sale Agreement, the Lease of
Railroad Equipment, the Trust Agreement and the
Indemnity Agreement, each dated as of April 1,
1982.

SEP 21 1982 -3 12 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 5415-005]

KEEP FOR ICC FILE COPY

AMENDED AND RESTATED PARTICIPATION AGREEMENT AND AMENDMENT

AMONG

BURLINGTON NORTHERN RAILROAD COMPANY, as Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

the PARTIES NAMED IN APPENDIX II HERETO, as Owners,

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee,

CONNELL FINANCE COMPANY, INC., as Investor,

and

the PARTIES NAMED IN APPENDIX I HERETO, as Permanent Investors,

DATED AS OF SEPTEMBER 1, 1982

[Covering 53 GE Diesel Electric Locomotives]

Conditional Sale Indebtedness due January 2, 1999

[Amending and restating the Participation Agreement and amending the Conditional Sale Agreement, the Lease of Railroad Equipment, the Trust Agreement and the Indemnity Agreement, each dated as of April 1, 1982.]

AMENDED AND RESTATED PARTICIPATION AGREEMENT AND AMENDMENT ("Agreement") dated as of September 1, 1982, among BURLINGTON NORTHERN RAILROAD COMPANY, a Delaware corporation ("Lessee"), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation ("Agent"), the PARTIES NAMED IN APPENDIX II HERETO (severally "Owner" and collectively "Owners"), THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not individually but solely in its capacity as Trustee ("Trustee") under a Trust Agreement dated as of April 1, 1982, with the Owners ("Trust Agreement"), CONNELL FINANCE COMPANY, INC., a New Jersey corporation ("Investor" and, together with its successors and assigns, "Investors"), and the PARTIES NAMED IN APPENDIX I HERETO (severally "Permanent Investor" and collectively, together with their successors and assigns, "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1982 (the "Participation Agreement"), providing for the leveraged lease financing of 53 diesel electric locomotives, described in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS each Owner pursuant to the Trust Agreement has authorized and directed the Trustee to purchase the Equipment from General Electric Company ("Builder") pursuant to a Conditional Sale Agreement ("CSA") dated as of April 1, 1982; and the Builder has retained or will retain a security interest in the units of Equipment constructed, sold and delivered by it pursuant to the CSA until the Trustee fulfills its obligations under the CSA;

WHEREAS the Lessee has leased or will lease from the Trustee all the units of the Equipment delivered and accepted under the CSA, pursuant to a Lease of Railroad Equipment ("Lease") dated as of April 1, 1982;

WHEREAS the Investor has furnished 58.1912118% of the cost of the Equipment delivered prior to the Deposit Date (as defined in Paragraph 2 hereof) by investing in the CSA Indebtedness (as defined in paragraph 4.3(b) of the CSA) and the Owners have furnished 41.8087882% of the cost of

such Equipment by making funds available to the Trustee under the Trust Agreement;

WHEREAS the Lessee has agreed to and will indemnify each Owner pursuant to an Indemnity Agreement ("Indemnity Agreement"), between the Lessee and the Owners, against certain losses, liabilities or expenses incurred or suffered by the Owners;

WHEREAS the security interest of the Builder in the Equipment has been assigned to the Agent, acting on behalf of the Investors (including the Permanent Investors), pursuant to an Agreement and Assignment dated as of April 1, 1982 ("CSA Assignment"), and the Lease has been assigned to the Agent pursuant to an Assignment of Lease and Agreement ("Lease Assignment") dated as of April 1, 1982, until the Trustee fulfills all its obligations under the CSA; and the Lessee has acknowledged and consented thereto pursuant to the Consent and Agreement dated as of April 1, 1982 ("Consent");

WHEREAS the CSA, the CSA Assignment, the Lease and the Lease Assignment were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on April 27, 1982, at 12:05 p.m., recordation numbers 13628, 13628-A, 13628-B and 13628-C, respectively, and were deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada on April 28, 1982, at 9:30 a.m.; and

WHEREAS the Permanent Investors propose to acquire the Investor's interest in the CSA Indebtedness and to furnish 57.84154316% of the cost of any Equipment settled for on and after the Deposit Date by investing in the CSA Indebtedness pursuant hereto, and the Owners will furnish 42.15845684% of the cost of such Equipment by making funds available to the Trustee under the Trust Agreement, and in connection therewith, the interest rate on the CSA Indebtedness will be changed to 15-1/2% per annum ("Debt Rate") and a corresponding change will be made in the rents and certain other amounts payable under the Lease, all as more fully set forth below;

WHEREAS the parties hereto desire to amend and restate the Participation Agreement and amend the CSA, the Lease, the Trust Agreement and the Indemnity Agreement as herein set forth;

NOW, THEREFORE, in consideration of the agreements and the covenants hereinafter contained, the parties hereby agree as follows:

1. The Trustee and each Owner have entered into the Trust Agreement, and the Trustee has entered into the CSA and pursuant thereto has purchased or will purchase, subject to the conditions hereinafter provided, the units of Equipment described in Annex B to the CSA having an aggregate Purchase Price (as defined in paragraph 4.1 of the CSA) not exceeding the amount set forth in Item 5 of Annex A of the CSA.

The Lessee has assigned, transferred, and set over unto the Trustee and its successors and assigns all the right, title and interest of the Lessee in and to any contractual arrangements with the Builder (such arrangements being hereinafter collectively called the "Purchase Order"), insofar as they relate to the Equipment; provided, however, that it is agreed that all obligations of the Trustee to the Builder under the Purchase Order shall be superseded by the CSA and the obligations of the Trustee to purchase and pay for the Equipment shall be exclusively and completely governed by, and subject to, the conditions provided herein and in the CSA.

The Lessee covenants with the Trustee and the Owners, and with the Builder as a third party beneficiary hereof, that, in the event of the exclusion of any unit of Equipment from the CSA as provided in paragraph 3.3 thereof, the Lessee will be obligated to accept all such units completed and delivered by the Builder and to pay the full purchase price therefor when due, all in accordance with the terms of the applicable Purchase Order therefor unless arrangements satisfactory to the Builder have otherwise been made for financing such units, and the Trustee will reassign, transfer and set over to or upon the order of the Lessee all the right, title and interest of the Trustee in and to the units so excluded.

The parties hereto agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to Paragraph 2 hereof, from and after the Deposit Date (a) the Investor hereby transfers and assigns to the Permanent Investors all its right, title and interest in and to the CSA Indebtedness, (b) the Participation Agreement shall be amended and restated and the CSA, the Lease, the Trust Agreement and the Indemnity Agreement shall each be amended as set forth herein and (c) unless the

context otherwise requires, the terms "CSA", "Trust Agreement", "Indemnity Agreement" and "Lease", as used in this Agreement, the CSA, the Lease, the Trust Agreement, the CSA Assignment, the Lease Assignment, the Consent and the Indemnity Agreement (collectively, "Participation Documents"), shall mean, respectively, ~~this Agreement and~~ the CSA, the Trust Agreement, the Indemnity Agreement and the Lease, each as amended hereby, and the term "Participation Agreement" as used in any of the Participation Documents, other than this Agreement, shall mean this Agreement. By their execution and delivery of this Agreement, the Owners authorize the Trustee to execute and deliver this Agreement and to carry out its terms.

2. Subject to the terms and conditions hereof, each Permanent Investor will pay to the Agent, in immediately available funds, not later than 11:00 a.m., Baltimore time, on September 23, 1982 ("Deposit Date"), an amount equal to the amount of the commitment set forth opposite such Permanent Investor's name under Minimum Deposit in Appendix I hereto. The Lessee shall have the right to increase the aggregate commitment of each Permanent Investor up to the amount set forth opposite its name under Maximum Commitment in Appendix I hereto by giving written notice to the Agent and each Permanent Investor not later than 10 days prior to the Deposit Date, specifying the amount of such increase, and each Permanent Investor shall thereupon become obligated to pay or cause to be paid to the Agent in immediately available funds, not later than 11:00 a.m., Baltimore time, on the Deposit Date the amount of its increased commitment as specified in said notice. The Agent will give to each Permanent Investor written notice of the payment to be made on the Deposit Date at least 5 business days prior to such Deposit Date. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department Account No. 08246-5 with advice that the deposit is "Re: BN 4/1/82".

Upon payment to the Agent of the amount required to be paid by a Permanent Investor pursuant to this Paragraph 2 on the Deposit Date, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor), a certificate or certificates of interest with respect to such payment,

substantially in the form annexed hereto as Appendix III, containing the appropriate information and dated the Deposit Date.

Subject to the terms and conditions hereof, upon payment to the Agent on the Deposit Date of the amount to be paid by each Permanent Investor pursuant hereto, the Agent will pay to the Investor an amount equal to the sum of the aggregate unpaid CSA Indebtedness represented by the certificates of interest theretofore delivered to the Investor under the Participation Agreement; and the Investor, simultaneously with the payment to it of such amount, will surrender such certificates to the Agent for cancellation; it being understood that the Owners will pay, or will cause the Trustee to pay, to the Investor on the Deposit Date accrued and unpaid interest on the aggregate amount of CSA Indebtedness held by the Investor at the rates provided in its certificates of interest which shall be purchased by the Permanent Investors on the Deposit Date and the Investor agrees to look solely to the Owners for such payment on the Deposit Date.

So long as, to the actual knowledge of the Agent, the Lessee is not in default under this Agreement or the Participation Agreement and no event of default or event which with 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 (any such default, event of default or event being hereinafter called a "Default"), the Agent will, upon the written direction of the Lessee (which shall specify that, to the knowledge of the Lessee, no Default has occurred and is continuing), invest and reinvest (whether through outright purchase or repurchase agreements) the moneys deposited with it pursuant to this Paragraph 2 not required to be paid to the Investor in (i) bonds or other obligations which as to principal and interest constitute direct obligations of the United States of America or are issued or guaranteed by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States and for which the full faith and credit of the United States Government is pledged to provide for the payment of principal and interest, (ii) certificates of deposit issued by or bankers' acceptances drawn on and accepted by commercial banks which are members of the Federal Reserve System with total deposits of at least \$1,000,000,000, and which at the time of such investment have, or whose parent companies have, outstanding publicly-held senior debt securities rated A or better by a

nationally recognized rating service, (iii) obligations issued or guaranteed by any state of the United States or the District of Columbia rated AA or better by a nationally recognized rating service, (iv) finance company paper or commercial paper rated A-1 or P-1 by Standard & Poor's Corporation or Moody's Investors Service, Inc., respectively, except such paper of the Lessee or the Owner or any "related person" of the Lessee or the Owner as that term is defined by Section 103(b)(6)(C) of the Internal Revenue Code, and except such paper of any person which is not incorporated in the United States or (v) repurchase agreements fully secured by any one or more of the obligations referred to in clause (i) above, in each case of clauses (i) through (v), maturing in not more than 90 days from the date of such investment (but not later than July 2, 1983) (such investments being hereinafter called "Investments"). Upon any sale or payment at maturity of any Investment, the proceeds thereof, plus any interest received by the Agent thereon, shall be held by the Agent for application pursuant to Paragraph 9 hereof. If such proceeds (plus such interest) shall be less than the cost (including accrued interest) of such Investment, the Owners will pay to the Agent an amount equal to such deficiency ("Investment Deficiency") on or before the date the Agent shall be required to pay such amount or any portion thereof to the Builder or the Permanent Investors pursuant to Paragraph 9 hereof. The obligation to make any payment in respect to such Investment Deficiency shall be the joint and several obligation of each Owner, and any such payment shall be held and applied by the Agent in like manner as the proceeds of the sale of Investments.

The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Baltimore, Maryland, Hartford, Connecticut, or New York, New York, are authorized or obligated to remain closed. All interest under this Agreement (including payments made pursuant to Paragraph 9 hereof) shall be calculated on the basis of a 360-day year of twelve 30-day months. The rate of interest payable under this Agreement to the Permanent Investors shall be 15-1/2% per annum ("Debt Rate").

As soon as practicable after delivery to each Permanent Investor of the certificate or certificates of interest, the Agent will also deliver to such Permanent Investor a schedule of payments reflecting the dates and amounts of principal and interest payments to be made in respect of such certificate. Each Permanent Investor,

simultaneously with the final payment to it of all amounts payable in respect of such certificate, will surrender such certificate to the Agent.

Pursuant to the CSA Assignment the Agent has acquired from the Builder all its right, security title and interest under the CSA, except as specifically excepted by the CSA Assignment. Pursuant to the Lease Assignment, the Agent has acquired for security purposes the rights of the Trustee in, to and under the Lease, except as specifically excepted by the Lease Assignment.

The Participation Documents are hereby approved by the Permanent Investors. Except as herein provided, the Agent will not enter into or consent to any modification or supplement to, or waiver with respect to, any of the Participation Documents without the prior written approval of the Permanent Investors except to the extent permitted by Article 23 of the CSA.

The Agent will hold the moneys deposited with it pursuant hereto and the rights under the CSA acquired under the CSA Assignment, security title to the Equipment following its delivery and acceptance under the CSA, as provided in the CSA Assignment and the CSA, the security interest in the Lease and any payments received by it pursuant to the Lease, in trust for the benefit of the Permanent Investors. It is expressly understood and agreed that the obligations of the Agent hereunder as such title holder and with respect to the payments to the Permanent Investors to be made by the Agent are only those expressly set forth herein.

All transactions pursuant hereto which shall occur on the Deposit Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously.

3. The Lessee represents and warrants to each Owner, the Trustee, the Agent, the Investor and each Permanent Investor as follows:

(a) The Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of the Lessee require such qualification.

(b) The Lessee has corporate power and authority and legal right to carry on its business as now conducted, and is duly authorized and empowered to execute and deliver this Agreement and to fulfill and comply with the terms, conditions and provisions of this Agreement, the Lease, the Consent and the Indemnity Agreement ("Lessee Documents"); the Lessee Documents have been duly authorized, and have been, or will be on or before the Deposit Date, duly executed and delivered by the Lessee, and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute or will then constitute legal, valid and binding agreements, enforceable against the Lessee in accordance with their terms.

(c) There are no actions, suits or proceedings, whether or not purportedly on behalf of the Lessee, pending or (to the knowledge of the Lessee) threatened against or affecting the Lessee or any property rights of the Lessee at law or in equity, or before any commission or other administrative agency, which, if determined adversely to the Lessee, would materially and adversely affect the condition, financial or otherwise, of the Lessee or its ability to perform its obligations under the Lessee Documents; and the Lessee is not in default with respect to any order or decree, of which it has knowledge, of any court or governmental commission, agency or instrumentality which would materially and adversely affect the condition, financial or otherwise, of the Lessee.

(d) Neither the execution and delivery of the Lessee Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the charter or the by-laws of the Lessee or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is a party or by which it or its property may be bound, or constitute (with or without the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Lessee or upon the Equipment pursuant to the terms of any such agreement or instrument, other than any encumbrance on the leasehold

estate of the Lessee which is subject and subordinate to the interests of the Trustee and the Agent. The Lessee is not in default, and no event has occurred which, with the giving of notice or lapse of time or both would be a default, under any of the terms, conditions or provisions of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is a party or by which it or its property may be bound which would materially and adversely affect the Lessee's ability to perform its obligations under the Lessee Documents.

(e) Neither the execution and delivery by the Lessee of the Lessee Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality.

(f) On or before the Deposit Date, this Agreement will have been duly filed with the Interstate Commerce Commission pursuant to 40 U.S.C. § 11303 and deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and provision will have been made for publication of notice of such deposit in The Canada Gazette in accordance with said Section 86 and such filing and deposit will protect the Agent's and the Trustee's interests in and to the Lease and in and to the Equipment and no other filing, recording or deposit (or giving of notice) with any other Federal, state or local government is necessary in order to protect the interests of the Agent or the Trustee under the CSA or the Lease in and to the Equipment in the United States of America or under the Lease in Canada.

(g) The Lessee is not entering into this Agreement or any other transaction contemplated hereby, directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it, any Owner, the Builder, any Permanent Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Lessee covenants that it will not sublease the Equipment subject to the Lease to any

person which is at the time a party in interest with respect to any employee benefit plan the assets of which were used by any Owner or any Permanent Investor in making its investment pursuant to this Agreement, all within the meaning of ERISA.

(h) No authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia, or of Canada or any Province thereof is necessary in connection with the execution, delivery and performance of the Lessee Documents.

(i) The Lessee has not directly or indirectly offered or sold any of the CSA Indebtedness to, solicited offers to buy any of the CSA Indebtedness from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any of the CSA Indebtedness with, any person so as to require registration of the sale of the CSA Indebtedness in accordance with the provisions of the Securities Act of 1933, as amended, or to require the qualification of the CSA or any other instrument or agreement contemplated hereby or thereby under the Trust Indenture Act of 1939. The Lessee will not offer any CSA Indebtedness to, or solicit any offer to buy any thereof from, any other person or approach or negotiate with any other person in respect thereof, so as to require registration of the sale of the CSA Indebtedness in accordance with the provisions of said Securities Act.

(j) The Lessee has filed all Federal tax returns and all foreign, state and local tax returns which (to its knowledge) are required to be filed, and has paid or made provision for the payment of, all taxes which have or may become due pursuant to said returns or pursuant to any assessment received by it, other than taxes which are being contested in good faith.

(k) The Lessee has furnished to the Trustee, the Agent, each Permanent Investor and the Investor audited consolidated balance sheets of the Lessee as of December 31, 1980, and December 31, 1981, and related statements of consolidated income, stockholders' equity and changes in financial position for the years then ended. Such financial statements are in accordance with the books and records of the Lessee and have been prepared in accordance with generally accepted

accounting principles applied on a consistent basis throughout the periods covered by the financial statements. The financial statements present fairly the financial condition of the Lessee at such dates and the results of its operations and changes in its financial position for such periods; and from the date of the last balance sheet there has not been any material adverse change in the business or financial condition of the Lessee, except to the extent, if any, disclosed in the Lessee's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1982, and June 30, 1982, copies of which have been furnished to the Owners and the Permanent Investors.

4. Each Owner represents and warrants to the Trustee, the Lessee, the Agent, the Investor, each Permanent Investor and the other Owner as follows:

(a) Such Owner is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

(b) Such Owner has the power and authority and legal right to carry on its business as now conducted and is duly authorized and empowered to execute and deliver this Agreement, the Indemnity Agreement and the Trust Agreement ("Owner Documents") and to fulfill and comply with the terms, conditions and provisions thereof.

(c) The Owner Documents have been duly authorized, executed and delivered by such Owner and, assuming due authorization, execution and delivery by the other parties thereto, are legal, valid and binding instruments, enforceable against such Owner in accordance with their terms.

(d) Neither the execution and delivery of the Owner Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with or result in a breach of, any of the terms, conditions or provisions of the charter or by-laws of such Owner or of any bond, debenture, note, mortgage, indenture, agreement or other instrument pursuant to which indebtedness for money borrowed has been incurred to which such Owner is a party or by which it or its property may be bound, or constitute (with or without the giving of notice or the

passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon the Equipment pursuant to the terms of any such agreement or instrument. Such Owner is not in default, and no event has occurred which, with the giving of notice or lapse of time or both would be a default, under any of the terms, conditions or provisions of any such bond, debenture, note, mortgage, indenture, agreement or other instrument to which such Owner is a party or by which it or its property may be bound which would materially and adversely affect its ability to perform its obligations under the Owner Documents.

(e) Neither the execution and delivery by such Owner of the Owner Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality.

(f) No authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to its knowledge, necessary in connection with the execution, delivery and performance of the Owner Documents.

(g) There are no actions, suits or proceedings, whether or not purportedly on behalf of such Owner, pending or (to the knowledge of such Owner) threatened against or affecting such Owner or any property rights of such Owner at law or in equity, or before any commission or other administrative agency, which, if determined adversely to such Owner, would materially and adversely affect the condition, financial or otherwise, of such Owner or its ability to perform its obligations under the Owner Documents.

(h) Such Owner is making its investment in the Equipment (pursuant to the Trust Agreement and this Agreement) with its general assets, and not directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan (other than a governmental plan), all within the meaning of ERISA.

Such Owner covenants that it will not transfer its interest acquired pursuant to this Agreement (and the Trust Agreement) directly or indirectly to, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Lessee, such Owner, the other Owner, the Builder, any Permanent Investor or the Trustee in its individual capacity is at the time a party in interest, all with the meaning of ERISA.

5. Each Permanent Investor represents to the Trustee, the Lessee, the Owners, the Investor and each other Permanent Investor as follows:

(a) Such Permanent Investor is acquiring its interest in the aggregate CSA Indebtedness for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distribution or selling the same; provided, however, that the disposition of its property shall at all times be within its control.

(b) Either such Permanent Investor is acquiring its interest in the CSA Indebtedness with assets of a "governmental plan" or such Permanent Investor is not acquiring such interest directly or indirectly with assets drawn from any "separate account", all as defined in ERISA.

(c) Such Permanent Investor represents that it has full power and authority to execute and deliver this Agreement and to carry out its terms.

Each Permanent Investor hereby agrees that any transfer of all or any part of its interest in the CSA Indebtedness shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement. Prior to any such transfer, such Permanent Investor shall notify the Agent in writing thereof; and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanent Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

6. The Trustee represents and warrants to each Owner, the Lessee, the Agent, the Investor and each Permanent Investor as follows:

(a) The Trustee is a corporation duly organized, validly existing and in good standing under the laws of its state of organization.

(b) The Trustee has the corporate power and authority and legal right under Connecticut and Federal law to carry on its business as now conducted and is duly authorized and empowered under such laws, acting pursuant to the Trust Agreement, to execute and deliver this Agreement and to fulfill and comply with the terms, conditions and provisions of this Agreement, the CSA, the Lease, the Lease Assignment and the Acknowledgment of Notice of Assignment ("Trustee Documents").

(c) The Trustee Documents have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the other parties thereto, are legal, valid and binding instruments of the Trustee, enforceable against the Trustee in accordance with their terms.

(d) The Trustee is not entering into this Agreement, or any other transaction contemplated hereby, directly or indirectly in connection with any arrangement by it in any way involving any employee benefit plan (other than a governmental plan), with respect to which the Trustee in its individual capacity, or to its knowledge, any Owner, the Builder, any Permanent Investor or the Lessee is a party in interest, all within the meaning of ERISA.

7. The obligation of each Permanent Investor to make payment to the Agent pursuant to Paragraph 2 hereof and the obligation of the Agent to make payment to the Investor on the Deposit Date pursuant to Paragraph 2 hereof shall be subject to the receipt by the Agent on or prior to the Deposit Date of the following documents, dated (except in the case of the opinion referred to in subparagraph (d) below and the policies or certificates referred to in subparagraph (h) below) on or not more than 10 days prior to the Deposit Date:

(a) An opinion of Messrs. Cravath, Swaine & Moore, special counsel for the Investor, the Permanent Investors and the Agent, to the effect that:

(i) this Agreement, assuming due authorization, execution and delivery by each Permanent

Investor, has been duly authorized, executed and delivered and is a legal, valid and binding instrument;

(ii) the CSA and the Lease have been duly authorized, executed and delivered and are legal, valid and binding instruments, enforceable in accordance with their terms;

(iii) the CSA Assignment, the Lease Assignment and the Consent have been duly authorized, executed and delivered and each is a legal, valid and binding instrument;

(iv) the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the CSA Assignment and, upon settlement for the Builder's units of Equipment pursuant to and in accordance with the CSA Assignment, the Agent will have a valid security interest therein;

(v) this Agreement, the CSA, the CSA Assignment, the Lease, the Lease Assignment and the Consent have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and provision has been made for publication of notice of such deposit in The Canada Gazette in accordance with said Section 86, and no other filing, recording or deposit (or giving of notice) with any other Federal, state or local government is necessary in order to protect the rights of the Agent therein or in the Equipment in any state of the United States of America or under the Lease in Canada;

(vi) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary in connection with the execution, delivery and performance of this Agreement, the CSA, the Lease, the CSA Assignment, the Lease Assignment and the Consent;

(vii) under the circumstances contemplated by this Agreement it is not necessary to register the

CSA, the CSA Assignment or any certificate of interest delivered pursuant hereto under the Securities Act of 1933, as in effect on the date of such opinion, or to qualify the CSA or any other instrument or agreement contemplated hereby or thereby under the Trust Indenture Act of 1939, as in effect on the date of such opinion;

(viii) the legal opinions referred to in subparagraphs (b), (c), (d) and (e) of this Paragraph 7 are satisfactory in form and scope to said special counsel and that in their opinion the Permanent Investors, the Investor, the Agent and they are justified in relying thereon;

and as to such other matters incident to the transactions contemplated by this Agreement as the Permanent Investors may reasonably request.

(b) An opinion of counsel for each Owner, to the effect set forth in subparagraphs (a), (b), (c) and (f) of Paragraph 4, insofar as such matters relate to such Owner.

(c) An opinion of counsel for the Lessee, to the effect set forth in subparagraphs (a), (b), (c), (e), (f) and (h) of Paragraph 3 and to the further effect that:

(i) other than liens and encumbrances which might attach and will be subject and subordinate to the right, title and interest of the Agent and the Trustee, no mortgage, deed of trust or other lien of any nature whatsoever which now covers or affects any property or interest therein of the Lessee, now attaches or hereafter will attach to the Equipment or in any manner affects or will affect adversely the right, title and interest of the Trustee or the Owners or the Agent therein; and

(ii) neither the execution and delivery of the Lessee Documents, nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which

the Lessee is a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Lessee or upon the Equipment pursuant to the terms of any such agreement or instrument, other than any encumbrance on the leasehold estate of the Lessee which is subject and subordinate to the interests of the Trustee and the Agent.

(d) An opinion of counsel for the Builder to the effect set forth in clause (iv) of subparagraph (a) of this Paragraph 7 and to the further effect that (i) the Builder is a duly organized and existing corporation in good standing under the laws of its jurisdiction of incorporation and has the power and authority to own its properties and to carry on its business as now conducted, (ii) the CSA and the CSA Assignment have been duly authorized, executed and delivered by the Builder and, assuming due authorization, execution and delivery by the Trustee and the Agent, respectively, are legal and valid instruments binding on the Builder, enforceable in accordance with their respective terms and (iii) no sales or use tax in the jurisdiction of delivery will be incurred by the Trustee in connection with the sale by the Builder of the Equipment under the CSA.

(e) An opinion of counsel for the Trustee to the effect set forth in subparagraphs (a), (b) and (c) of Paragraph 6.

(f) A Certificate of an officer of the Lessee to the effect that the Lessee's representations and warranties contained in this Agreement are true on and as of the Deposit Date, with the same effect as though made on such date, that the Lessee is not currently in default nor does a condition exist nor has an event occurred which with the lapse of time and/or the giving of notice would constitute a default under this Agreement or the Lease and that there has been no material adverse change in the business or financial condition of the Lessee from that shown in the last audited financial statement referred to in Paragraph 3(k) hereof, except to the extent, if any, disclosed in the

Lessee's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1982, and June 30, 1982.

(g) A Certificate of an officer of each Owner to the effect that:

(i) no Federal tax liens (including tax liens filed pursuant to section 6323 of the Internal Revenue Code of 1954, as amended) or, to the best of his knowledge and belief, other tax liens have been filed and are currently in effect against such Owner which could adversely affect the interests of the Agent in the Equipment or the Lease;

(ii) no mortgage, deed of trust or other lien of any nature whatsoever now in existence which now covers or affects, or which may hereafter cover or affect, any property or interest therein of such Owner, now attaches or hereafter will attach to the Equipment or in any manner affects or will affect adversely the right, title and interest of the Agent therein; and

(iii) such Owner's representations and warranties contained in this Agreement are true on and as of the Deposit Date with the same effect as if made on such date.

(h) Certificates of insurance required to be delivered pursuant to the last sentence of § 7.8(1) of the Lease.

(i) Executed counterparts of this Agreement.

(j) Agreement and Consent executed by the Builder evidencing its consent to the transactions contemplated by this Agreement.

In giving the opinions specified in this Paragraph 7, counsel may qualify its opinion to the effect that any agreement is enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 7, counsel may rely (i) as to authorization, execution and delivery by the Builder of the documents executed by the Builder and, as

to title of the Builder to its Equipment, on the opinion of counsel for the Builder and (ii) as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinion of counsel for any Owner, the Trustee, the Builder, the Lessee or special Canadian counsel as to such matter. In giving the opinion specified in subparagraph (c) of this Paragraph 7, counsel may assume as to any matter governed by the law of any jurisdiction other than the State of Minnesota or the United States that the law of such other jurisdiction is the same as the law of the State of Minnesota, except that in the case of Canadian law, such counsel may rely on the opinion of special Canadian counsel.

The Deposit Date closing hereunder shall take place at the offices of Messrs. Cravath, Swaine & Moore, in New York, New York.

8. The Trustee's obligation to purchase and pay for units of Equipment on any Closing Date on or subsequent to the Deposit Date under the CSA shall be subject to the terms and conditions of the CSA. The Lessee agrees that the representations and warranties made by the Lessee to each Owner and the Trustee in the Participation Agreement referred to in the first recital to this Agreement shall survive the execution and delivery of this Agreement.

9. Subject to the terms and conditions hereof, upon the delivery to the Trustee under the CSA of the Equipment and the receipt by the Agent of the delivery papers with respect thereto to be delivered in accordance with the CSA Assignment, the Agent will on each Closing Date on or subsequent to the Deposit Date under the CSA:

(a) pay to the Builder in accordance with the CSA Assignment (and subject to the conditions specified in Section 4 thereof) out of moneys paid to the Agent pursuant to Paragraph 2 hereof and then on deposit with the Agent an amount equal to the CSA Indebtedness with respect to the units of Equipment then being settled for; and

(b) if such moneys then on deposit are insufficient to make such payment, promptly upon receipt of notice of closing with respect to such Equipment under the CSA, sell such portion of the Investments as may be necessary in order to provide sufficient funds for such payment and use the funds so derived, together with interest received on the Investments and any Investment

Deficiency paid by the Owners as contemplated by Paragraph 2 hereof and held by the Agent, to make such payment to the Builder required to be made on such Closing Date pursuant to the CSA Assignment.

If, on the earliest of (1) the last Closing Date under the CSA, (2) the date of any Default as to which the Agent has actual knowledge or (3) July 2, 1983 (the earliest of said dates being hereinafter called the "Repayment Date"), the aggregate CSA Indebtedness will be less than the amount theretofore deposited with the Agent pursuant to Paragraph 2 hereof (less any amounts of CSA Indebtedness paid or prepaid pursuant to Paragraph 10 hereof) (the amount of such difference being hereinafter called the "Surplus Deposit"), the Agent will promptly (i) notify each Permanent Investor thereof, (ii) sell all Investments then held by the Agent as promptly as possible and (iii) against surrender by each Permanent Investor to the Agent of the certificate or certificates of interest theretofore delivered by the Agent in respect of which a repayment is to be made, as hereinafter provided, promptly issue to such Permanent Investor a new certificate or certificates of interest evidencing such Permanent Investor's actual investment in the aggregate CSA Indebtedness (and a new schedule of payments reflecting such investment) and apply on the Repayment Date (or as promptly thereafter as possible) (a) the balance of the funds on deposit with the Agent pursuant to Paragraph 2 hereof, and (b) all proceeds of the sale of Investments and interest received by the Agent on Investments, together with any Investment Deficiency paid by the Owners as contemplated by Paragraph 2 and moneys paid to the Agent pursuant to the last paragraph of this Paragraph 9 to the repayment of a portion of the deposit made by each Permanent Investor hereunder up to the amount of the Surplus Deposit without premium, together with interest on such repayment as provided in clause (a) of the next paragraph hereof. Each Permanent Investor, at its option, in lieu of surrendering its certificate or certificates of interest as provided in the preceding sentence, may make appropriate notation on such certificate or certificates of interest of repayment of a portion of its investment. Any remaining balance of such funds and proceeds and interest thereon received by the Agent, after payment of all fees and expenses of the Agent in connection with the purchase and sale of Investments (including, without limitation, any cost or loss to the Agent if the Agent is requested to commit for any Investments prior to actual receipt of funds and such funds are not available when required), shall be retained by the Agent and credited against the payments required to be made

by the Owners pursuant to the immediately succeeding paragraph and any excess shall be paid by the Agent to the Lessee so long as the Agent has no actual knowledge of a Default. If such balance is not sufficient to pay such fees and expenses, the Owners will pay any deficiency.

The Owners will pay to the Agent such amounts as will enable the Agent to pay to each Permanent Investor (a) on the Repayment Date (or as promptly thereafter as practicable) an amount equal to interest on the Surplus Deposit, if any, to be repaid to such Permanent Investor pursuant to the immediately preceding paragraph on said date for the period from the Deposit Date to the date of such payment (less any amounts in respect thereof theretofore paid pursuant to clause (b) of this paragraph) calculated at the Debt Rate, and (b) on December 31, 1982, such amount, if any, as, when added to the interest received by the Agent under the CSA on such date, will enable the Agent to pay to each Permanent Investor an amount equal to interest at the Debt Rate on the unrepaid investment of such Permanent Investor from the Deposit Date to, but not including, December 31, 1982, and (c) on July 2, 1983, such amount, if any, as, when added to the interest received by the Agent under the CSA on such date, will enable the Agent to pay to each Permanent Investor an amount equal to interest at the Debt Rate on the unrepaid investment of such Permanent Investor from December 31, 1982, to, but not including July 2, 1983.

10. The Agent will accept payments made to it by or for the account of the Trustee pursuant to the CSA and the CSA Assignment on account of the principal of or accrued interest on the CSA Indebtedness and will apply such payments promptly first, to the pro rata payment to each Permanent Investor of interest payable on the CSA Indebtedness, and second, to the pro rata payment to each Permanent Investor of the installments of CSA Indebtedness in the order of maturity thereof until the same shall have been paid in full.

The Agent will accept all sums paid to it pursuant to Article 7 of the CSA with respect to Casualty Occurrences (as therein defined) and will apply such sums to the prepayment of each of the installments of the CSA Indebtedness remaining unpaid (in proportion to the principal amount of CSA Indebtedness represented by each such installment), without premium, together with interest accrued and unpaid on such prepaid CSA Indebtedness and will distribute such prepayment and interest pro rata thereon to each Permanent

Investor. The Agent will furnish to each Permanent Investor a revised schedule of payments showing the reduction in the installments of the CSA Indebtedness remaining unpaid and the interest payable thereon.

Notwithstanding anything to the contrary contained herein, if a Declaration of Default (as defined in paragraph 16.1 of the CSA) is in effect, all moneys held by or coming into the possession of the Agent under the CSA, the CSA Assignment, the Lease or the Lease Assignment applicable to the payment or prepayment of CSA Indebtedness or interest thereon (including, without limitation, the net proceeds of any repossession and sale or lease of any unit of the Equipment after deduction of all expenses, including reasonable counsel fees, incurred by the Agent in connection with such repossession and sale or lease or otherwise hereunder in connection with the CSA and the CSA Assignment which shall not theretofore have been reimbursed to the Agent by the Trustee pursuant to the CSA) shall be distributed immediately by the Agent to the Permanent Investors; and the Agent shall otherwise take such action as is referred to in this Paragraph 10.

All payments to be made by the Agent hereunder shall (subject to timely receipt by the Agent of available funds) be made by check mailed to the Investor or the Permanent Investors on the date such payment is due or, upon written request of such Investor or the Permanent Investors or if specified in Appendix I hereto, by bank wire of immediately available funds to such Investor or the Permanent Investors at such address as may be specified to the Agent in writing or in Appendix I hereto. Subject to the timely receipt by the Trustee of available funds, the Trustee will make each payment required to be made by it to the Agent hereunder in immediately available funds at or prior to 11 a.m. in the city in which such payment is to be made.

So long as, to the actual knowledge of the Agent, no Default shall have occurred and be continuing, the Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights or taking or refraining from taking any action which may be vested in it, or which it may be entitled to assert or take, hereunder or under the CSA, the CSA Assignment, the Lease or the Lease Assignment except as otherwise specifically provided herein. The Agent shall not incur any liability hereunder or otherwise in acting upon any notice, certificate or other paper or instrument believed by it to be

genuine and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the exercise of its best judgment, or which may seem to it to be necessary or desirable in the premises, except liability resulting from its own misconduct or negligence. In case the Agent shall have actual knowledge of the occurrence of a Default it shall promptly notify the Trustee, each Owner, the Lessee and each Permanent Investor thereof. The Agent shall take such action and assert such rights under the CSA and the Lease as shall be agreed upon by the holders of interests totaling more than 66-2/3% of the aggregate CSA Indebtedness then outstanding. In case the Agent is required to take action hereunder, it shall be indemnified against any liability or expense, including reasonable counsel fees, in connection with taking such action or asserting such rights by such holders in proportion to their respective interests in the aggregate CSA Indebtedness then outstanding.

The Agent may consult with legal counsel of its own choice and shall not be under any liability for any action taken or suffered in good faith by it in accordance with the opinion of such counsel.

The Agent will promptly mail or deliver one counterpart or copy of all notices, statements, documents or schedules received by it from the Trustee or the Lessee pursuant to this Agreement, the CSA, the CSA Assignment, the Lease or the Lease Agreement to the Permanent Investors.

All notices, instructions, directions and approvals to be delivered hereunder to the Agent by the Investor or any Permanent Investor shall be in writing signed by an authorized employee of the Investor or such Permanent Investor, and the Agent may rely on any notice, instruction, direction or approval so signed.

The Agent does not make any representation or assume any responsibility with respect to (i) the validity of the CSA, the CSA Assignment, the Lease, the Lease Assignment or any certificate of interest (except with respect to its own execution thereof) or any of the matters covered thereby or (ii) the value of or the title to the Equipment.

In the event of any dispute with respect to the delivery or ownership or right to possession of funds or documents at any time held by the Agent hereunder, or with respect to title to any unit of the Equipment, the Agent is

hereby authorized and directed to retain, without liability to anyone, all or any of such funds or documents and title to such unit of the Equipment until such dispute shall have been settled either by agreement of the Permanent Investors or by final order, decree or judgment of a court of competent jurisdiction. During any such dispute, the Agent will invest any funds held by it subject to the dispute in such investments as shall be specified by the holders of interests totaling more than 50% of the aggregate CSA Indebtedness then outstanding.

The Agent shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Permanent Investors that it desires to terminate such duties and responsibilities on a date (at least 30 days subsequent to the giving of such notice) stated in said notice, it being understood and agreed that the Agent shall also give such notice if it is directed to do so by the holders of interests totaling more than 50% of the aggregate CSA Indebtedness then outstanding. If, prior to the date stated in said notice, the holders of interests totaling more than 50% of the CSA Indebtedness then outstanding shall have requested in writing that the Agent assign to a person or institution designated by such holders all right, title and interest of the Agent under the CSA and the CSA Assignment and in and to the Equipment and the Lease, the Agent shall comply with such request. In the event that such request is not received by the Agent on or before the date designated in said notice, the Agent shall be entitled to appoint a successor to act hereunder (which successor shall be a bank or trust company located in the Borough of Manhattan, City and State of New York, Chicago, Illinois, or Baltimore, Maryland, having capital and surplus aggregating at least \$50,000,000) and to assign to such successor, subject to the provisions of this Agreement, all such right, title and interest of the Agent. Upon such assignment by the Agent to a person or institution designated by the Permanent Investors or, in the absence of such designation, to a successor appointed by the Agent, the Agent shall thereupon be relieved of all duties and responsibilities hereunder.

11. The Lessee will deliver or cause to be delivered (A) to the Trustee, the Agent, each Owner and each Permanent Investor, as soon as available and in any event within 120 days after the end of each fiscal year, a certificate signed by any Vice President, the Treasurer or any Assistant Treasurer of the Lessee stating that he

has reviewed the activities of the Lessee during such year and that, to the best of his knowledge, the Lessee during such year has kept, observed, performed and fulfilled each and every covenant, obligation and condition contained herein and in the Lease, or if an Event of Default (as defined in the Lease) shall exist or if an event has occurred and is continuing which, with the giving of notice or the passage of time or both, would constitute an Event of Default, specifying such Event of Default and all such events and the nature and status thereof, (B) to each Owner and each Permanent Investor, (i) as soon as available, and in any event within 60 days after the end of the first, second and third quarterly accounting periods in each fiscal year of the Lessee, copies of the balance sheet of the Lessee as of the end of such accounting period and copies of the related statements of income and retained earnings of the Lessee for the portion of its fiscal year ended with the last of such quarterly accounting period, all in reasonable detail, certified by any Vice President or the Treasurer of the Lessee, as appropriate, and stating in comparative form the figures for the corresponding date and period in the previous fiscal year, (ii) as soon as available, and in any event within 120 days after the end of each fiscal year, copies of the balance sheet of the Lessee as at the end of such fiscal year, and of the statements of income and retained earnings of the Lessee for such fiscal year, all in reasonable detail and stating in comparative form the consolidated figures as of the end of and for the previous fiscal year, certified by a firm of nationally recognized independent certified public accountants selected by the Lessee, and (iii) as soon as available, a copy of each Annual Report to the Securities and Exchange Commission which is required to be filed by the Lessee or Burlington Northern Inc. and of each prospectus issued in connection with a public offering of securities of the Lessee or Burlington Northern Inc. and (C) to the Owners copies of all documents which the Lessee is required to deliver to the Agent or the Trustee under the Lessee Documents. If requested by an Owner, the Lessee will deliver to such Owner copies of the quarterly and annual financial reports filed by the Lessee with the Interstate Commerce Commission.

12. The Owners shall cause the Trustee to pay, or to cause to be paid, (i) the reasonable fees and disbursements of Messrs. Cravath, Swaine & Moore as special counsel for the Agent, the Permanent Investors and the Investor and the cost of producing and reproducing the Participation Agreement, this amendment and restatement thereof, the Lease, the Trust Agreement, the CSA, the CSA

Assignment, the Lease Assignment, the Consent and the Indemnity Agreement, (ii) the fee payable to the placing agent in connection with the placement of the CSA Indebtedness with the Permanent Investors, (iii) the reasonable fees and disbursements of Messrs. Sullivan & Cromwell and Messrs. Isham, Lincoln & Beale, counsel to the Owners, (iv) the reasonable routine and ordinary fees, costs and disbursements of the Agent and the Trustee except those subsequent to any termination of the Lease by the Agent or attributable to periods during a continuance of a Declaration of Default under Article 16 of the CSA (which shall be paid by the Lessee) and (v) the cost of obtaining the opinion of the independent expert appraiser furnished in connection with the first delivery of Equipment under the CSA. The Lessee shall bear (a) the costs of filing, recording and giving public notice or publication as to such filing and recording of this Agreement, the Lease, the CSA, the CSA Assignment and the Lease Assignment and any amendments or supplements thereto with the Interstate Commerce Commission and with the Registrar General of Canada, as contemplated by Paragraph 3(f) hereof, and (b) the costs of producing and reproducing any such amendments or supplements and the reasonable fees and disbursements of Messrs. Cravath, Swaine & Moore in connection therewith. The Permanent Investors, the Investor and the Agent shall have no liability for any of the aforesaid fees, costs, disbursements and expenses or for any other expenses. If the transaction contemplated hereby shall not be consummated through no fault of the Owners, the Lessee shall pay the fees, disbursements and expenses referred to above as payable by the Owners.

13. All documents deliverable hereunder to the Agent shall be delivered to it at its address at P.O. Box 2258 (or if by hand, 2 Hopkins Plaza), Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents, notices and funds deliverable hereunder to the Trustee shall be delivered to it at its address at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department, or as the Trustee may otherwise specify, with copies to each of the Owners at their addresses set forth in Appendix II hereto.

All documents and funds deliverable hereunder to the Investor shall be delivered to its address set forth in Appendix I hereto, or as the Investor may otherwise specify.

All documents and funds deliverable to any Permanent Investor shall be delivered to its address set forth in Appendix I hereto, or as such Permanent Investor may otherwise specify.

All documents deliverable hereunder to Messrs. Cravath, Swaine & Moore shall be delivered to them at One Chase Manhattan Plaza, New York, New York 10005.

14. In the event that the Trustee or the Lessee shall have knowledge of a Default, such party shall give prompt telephonic notice (confirmed in writing) thereof to the Agent, each Permanent Investor and each Owner. In the case of the Trustee, knowledge shall mean actual knowledge of an officer or employee in its Corporate Trust Department.

15. So long as no Event of Default shall have occurred and be continuing under the Lease, at least two business days prior to December 31, 1982, July 2, 1983, and each July 2 thereafter, to and including July 2, 1998 (such dates at least two business days prior to each such date being hereinafter referred to as "Funding Dates"), General Electric Credit Corporation ("GECC") and Connell Leasing Company ("Connell"), a division of Connell Rice & Sugar Co., Inc., shall each wire funds to the Trustee in an amount equal to 80% in the case of GECC, and 20% in the case of Connell, of the interest due under the CSA on the next following Interest Payment Date (as defined in paragraph 4.4 of the CSA). Upon receipt of such funds, the Trustee shall promptly give notice of such receipt to the Agent by telephone, and the Trustee shall cause such funds so received to be advanced to the Agent in immediately available funds on the Interest Payment Date next following such Funding Date. If the Agent shall fail to receive such notice from the Trustee on such Funding Date or shall fail to receive such funds on such Interest Payment Date, the Agent will forthwith give notice to such effect to the Lessee, GECC and Connell by telephone, confirmed promptly by telegraph; provided, however, that the failure of the Agent to so notify the Lessee, GECC or Connell shall not affect the obligations of the Lessee under the Lease or the Trustee under the CSA; and provided, further, however, that the agreement of GECC and Connell to wire such funds is made solely for the benefit of the Lessee, and neither the Agent nor any Permanent Investor shall have any recourse against GECC or Connell by virtue of the failure of GECC or Connell to wire such funds. In the event of such failure, then the Lessee shall make the additional rental payment due from the

Lessee under § 3.1(5) of the Lease to the extent required by such failure.

To the extent of funds received, the Agent will apply the same to the payment of interest on the CSA Indebtedness on the Interest Payment Date.

In the event that the Lessee shall be required to make any such payment:

(a) the Lessee shall be entitled to an offset against the next rental payment due under the Lease (to the extent such payment is not required to discharge the principal and interest on the CSA Indebtedness) as provided in § 3.1(5) of the Lease; and

(b) if after effecting such offset there remains any amount owing to the Lessee, the Lessee may demand repayment thereof from each nonfunding Owner, and each nonfunding Owner shall repay its proportionate share of such amount to the Lessee within 15 days of such demand, together with interest thereon at the applicable interest rate on the CSA Indebtedness plus 1%.

All payments required to be made to the Agent hereunder shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5 with advice that the payment is "Re: BN 4/1/82".

16. Anything herein to the contrary notwithstanding, each and all of the representations, warranties and agreements herein made on the part of the financial institution acting as Trustee (except its representations and warranties under Paragraph 6 hereof but not as to the enforceability of any document other than the Trust Agreement) are each and every one of them made and intended not as personal representations, warranties and agreements by said financial institution in its individual capacity 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 Agreement is executed and delivered by the Trustee solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution (except as aforesaid) on account of any

representation, warranty or agreement hereunder of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and each Permanent Investor and by all persons claiming by, through or under the Lessee, the Agent and each Permanent Investor; provided, however, that the Lessee, the Agent and each Permanent Investor or any person claiming by, through or under any of them, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

17. Anything herein or in the Participation Documents to the contrary notwithstanding, as an inducement to the Permanent Investors to participate in the transaction contemplated hereby, Connell unconditionally agrees that if there is any default in the payment of the CSA Indebtedness or any interest thereon and, as a result thereof, the Agent makes a Declaration of Default (as defined in Paragraph 16.1 of the CSA), Connell will pay to the Agent, on account of such CSA Indebtedness or interest, an amount equal to 20% of the aggregate amount of CSA Indebtedness and interest thereon at the time in default, any such payment to be made by Connell to the Agent promptly upon receipt of written notice from the Agent to Connell of the amount payable; provided, however, that prior to the delivery of such notice the Agent shall have pursued all remedies reasonably available to it under the CSA and the Lease Assignment.

18. The terms of this Agreement and all rights and obligations of the parties hereto hereunder shall be governed by the laws of the State of New York. Such terms, rights and obligations may not be changed orally but may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought.

19. Each Owner severally agrees, for the benefit of the Permanent Investors, to take all necessary action, including without limitation, payment of funds, to enable the Trustee to discharge pursuant to the proviso in paragraph 13.3 of the CSA the claims, liens, charges or security interests referred to in said paragraph claimed by any party from, through or under such Owner.

20. The Trustee and the Agent, as assignee of the Builder, agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to

Paragraph 2 hereof, the CSA shall be amended as follows:

(a) In Section 1.1, the percentage which appears in the second line shall apply to Equipment settled for prior to September 23, 1982, but for Equipment settled for on September 23, 1982, and thereafter the applicable percentage shall be 42.15845684%.

(b) Clause (a) of Section 4.3 thereof is deleted and the following is substituted therefor:

"(a) on each Closing Date with respect to each Group occurring prior to September 23, 1982, an amount equal to 41.8087882% of the aggregate Purchase Price of the units of Equipment in such Group (the units of Equipment included in each such Group being hereinafter called the "Pre 9/23/82 Equipment") and on each Closing Date with respect to each Group occurring on and after September 23, 1982, an amount equal to 42.15845684% of the aggregate Purchase Price of the units of Equipment in such Group (the units of Equipment included in each such Group being hereinafter called the "Post 9/23/82 Equipment"); and"

(c) The second and third sentences of Section 4.4 thereof are deleted and the following sentences are substituted therefor:

"The unpaid balance of the CSA Indebtedness shall bear interest from the later of the Deposit Date (as defined in the Participation Agreement) or the Closing Date in respect of which such indebtedness was incurred at 15-1/2% per annum ("Debt Rate"). Interest on the unpaid balance of the CSA Indebtedness shall be payable on December 31, 1982 and thereafter on January 2 and July 2 in each year, commencing July 2, 1983, to and including January 2, 1999 (each such date being hereinafter called an "Interest Payment Date")."

(d) The words ", Paragraph 20 of the Participation Agreement" in line 5 of Section 4.7 thereof are deleted.

(e) The last sentence of Section 7.4 is deleted

and the following sentence is substituted therefor:

"For the purpose of this paragraph, each payment of the Purchase Price made pursuant to Article 4 hereof in respect of Pre 9/23/82 Equipment and Post 9/23/82 Equipment shall be deemed to be a payment with respect to each unit of Pre 9/23/82 Equipment or Post 9/23/82 Equipment, as the case may be, in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of all Pre 9/23/82 Equipment or Post 9/23/82 Equipment, as the case may be."

(f) Schedule I to the CSA is hereby deleted in its entirety and the revised schedule set forth in Appendix IV hereto is substituted therefor.

21. The parties to the Lease agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to Paragraph 2 hereof, the Lease shall be amended as follows:

(a) Paragraph (3) of § 3.1 of the Lease is deleted and the following is substituted therefor:

"(3) The basic lease rates set forth in Appendix B-1 hereto have been calculated on the assumption that the Units will have been settled for on the dates and in the amounts as follows:

<u>Assumed Settlement Date</u>	<u>Assumed Settlement Amount</u>
7/09/82	\$ 15,839,703
7/30/82	8,345,170
8/26/82	5,841,619
9/23/82	11,310,000
10/15/82	3,520,000
	<u>\$44,856,492</u>

If for any reason any Units are settled for other than on the Assumed Settlement Dates and in the Assumed Settlement Amounts set forth above, then such basic lease rates (and the related Casualty Values set forth in Appendix C hereto) payable by the Lessee hereunder in respect of the Units on and after January 2, 1984 (or on or after December 31, 1982, as to Casualty Values) shall be

increased or decreased, as the case may be, by such amount as shall, in the reasonable opinion of the Owners, cause the Owners' Net Economic Return to equal the Net Economic Return that would have been realized by the Owners if all Units had been settled for on the Assumed Settlement Dates in the Assumed Settlement Amounts. Such basic lease rates have also been calculated on the assumptions that (i) the amount of accrued interest payable to the Investor on September 23, 1982, will be 0.97368521% of the aggregate Purchase Price of the Units (calculated at 15% per annum), (ii) the amount of accrued interest payable to permanent investors on December 31, 1982, will be 2.44156219% of the aggregate Purchase Price of the Units, (iii) the amount of accrued interest payable to permanent investors on July 2, 1983, will be 4.55086916% of the aggregate Purchase Price of the Units, (iv) there will be no Investment Deficiency as defined in the fourth paragraph of Paragraph 2 of the Participation Agreement, (v) there will be no Surplus Deposit nor any interest payable thereon pursuant to clause (a) of the last paragraph of Paragraph 9 of the Participation Agreement, (vi) there will be no interest payable by the Owners on December 31, 1982, or on July 2, 1983, pursuant to clause (b) or (c) of the last paragraph of Paragraph 9 of the Participation Agreement, (vii) the Owners will furnish 42.15845684% of the aggregate Purchase Price of the Units settled for on and after September 23, 1982, and (viii) the amount of the fees and expenses payable by the Owners pursuant to Paragraph 12 of the Participation Agreement will be 0.50% of the aggregate Purchase Price of the Units. If for any reason these assumptions prove to be incorrect, then such basic lease rates (and the related Casualty Values set forth in Appendix C hereto) payable by the Lessee hereunder in respect of the Units on and after January 2, 1984 (or on and after December 31, 1982, as to Casualty Values), shall be increased or decreased, as the case may be, by such amount as shall, in the reasonable opinion of the Owners, cause the Owners' Net Economic Return to at least equal the Net Economic Return that would have been realized by the Owners if such assumptions had proved to be correct. The Lessor shall provide a schedule of such rentals and Casualty Values to the Lessee and

the Vendor promptly after the facts have been determined and the calculations have been made."

(b) § 3.1(5) is amended to read as follows:

"(5) If and to the extent that the Vendor shall not receive pursuant to the last paragraph of Paragraph 9 of the Participation Agreement, the amounts due under such paragraph on the date or dates due, the Lessee agrees to pay to the Lessor as additional rentals an amount equal to such payments on such date or dates due. If and to the extent that the Vendor shall not, pursuant to Paragraph 15 of the Participation Agreement, receive the funds due thereunder on December 31, 1982, and on each July 2 thereafter to and including July 2, 1998, the Lessee agrees to pay to the Lessor as additional rental for each Schedule A Unit and Schedule B Unit subject to this Lease, on each such date an amount equal to the applicable basic lease rate therefor set forth in Appendix B-2 hereto for such date multiplied by the Purchase Price of each such Unit. The Lessee shall be entitled to an offset against the next rental payment date hereunder during the original term and any extended term of this Lease (to the extent such payment is not required to discharge the principal and interest on the CSA Indebtedness) of an amount equal to the amounts so paid by the Lessee pursuant to the next two preceding sentences. Such offset shall be calculated so that the net present value (at a discount rate of 13% per annum paid semiannually) of the rental actually paid by the Lessee, in the reasonable opinion of the Lessee, will be same as if the payments required by Paragraph 9 and Paragraph 15 of the Participation Agreement had been made when due."

(c) In clause (ii) of § 7.5(b), the percentage which appears shall apply to Units settled for prior to September 23, 1982, but for Units settled for on September 23, 1982, and thereafter the applicable percentage shall be 1.39999%.

(d) Appendices B-1, B-2 and C to the Lease are hereby deleted in their entirety and the revised Appendices B-1, B-2 and C as set forth in Appendices V, VI and VII hereto, respectively, are substituted therefor.

22. The parties to the Trust Agreement agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to Paragraph 2 hereof, the Trust Agreement shall be amended as follows: the percentage which appears twice in the first paragraph of Section 1.04 shall apply to Units settled for prior to September 23, 1982, but for Equipment settled for on September 23, 1982, and thereafter the applicable percentage shall be 42.15845684%.

23. The parties to the Indemnity Agreement agree that, subject to the payment by the Permanent Investors of the amounts to be paid to them pursuant to Paragraph 2 hereof, the Indemnity Agreement shall be amended as follows:

(a) the percentage which appears in Recital B shall apply to the Units settled for prior to September 23, 1982, and for the Units settled for on September 23, 1982, and thereafter the applicable percentage shall be 42.15845684%; and

(b) in Recital C the reference to the institutional investor shall refer to the Permanent Investors.

24. Except as amended hereby, the CSA, the Lease, the Trust Agreement and the Indemnity Agreement shall remain in full force and effect.

25. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as all counterparts shall be signed by the Agent; and the Trustee, each Owner, the Lessee, each Permanent Investor and the Investor shall sign a counterpart which shall be effective upon delivery thereof to Messrs. Cravath, Swaine & Moore, at their offices in New York, New York.

IN WITNESS WHEREOF, the parties hereto have caused

this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

[Corporate Seal]

Attest:

by

J. Beck
Assistant Secretary

BURLINGTON NORTHERN RAILROAD
COMPANY,

by

Barnish
Vice President

[Corporate Seal]

Agent:

by

Palmer
Assistant Corporate
Trust Officer

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent as
aforesaid,

by

Sherrill
Assistant Vice President

[Corporate Seal]

ATTEST:

by

Authorized Signature

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee as afore-
said,

by

Authorized Officer

~~GENERAL ELECTRIC CREDIT
CORPORATION,~~

~~by~~

~~_____
Vice President~~

~~CONNELL LEASING COMPANY,
(a division of Connell Rice
& Sugar Co., Inc.),~~

~~by~~

~~_____
President~~

CONNELL FINANCE COMPANY, INC.,

by

President

PUBLIC EMPLOYEES RETIREMENT
SYSTEM OF OHIO,

by

Title:

STATE OF WISCONSIN INVESTMENT
BOARD,

by

Title:

STATE FARM LIFE INSURANCE
COMPANY,

by

Title:

BANKERS LIFE INSURANCE COMPANY
OF NEBRASKA,

by

Title:

STATE OF MONTANA BOARD OF
INVESTMENTS,

by

Title:

STATE OF WASHINGTON,)
) ss.:
COUNTY OF KING ,)

On this 17th day of September 1982, before me personally appeared John B. Parrish, to me personally known, who, being by me duly sworn, says that he is the VICE PRESIDENT of BURLINGTON NORTHERN RAILROAD 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 [Signature]
[Notarial Seal]

My Commission expires 10-10-85

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

On this 16th day of September 1982, before me personally appeared R. E. Schreiber, 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 [Signature]

[Notarial Seal]

My Commission expires 7-1-86

STATE OF CONNECTICUT)
) ss.:
COUNTY OF HARTFORD ,)

On this _____ day of September 1982, before me personally appeared _____ to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK 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



[Notary Seal]

My Commission expires _____



Investor

CONNELL FINANCE COMPANY, INC.
45 Cardinal Drive
Westfield, New Jersey 07092

Attention of Grover Connell, President

All payments to be made
by wire transfer to
Citibank, N.A.,
399 Park Avenue, New
York, New York 10022,
Attention of Robert
Kiley, Vice President,
for credit to the
account of Connell Rice
& Sugar, Inc., Account
No. 30481714, tele-
phonic advice to
Connell Finance Co.,
Inc.

Permanent Investors

<u>Name and Address</u>	<u>Minimum Deposit*</u>	<u>Maximum Commitment*</u>
PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO 277 East Town Street Columbus, Ohio 43215	\$10,000,000	\$10,500,000

Attention of Investment
Department, Private
Placement

All payments are to be made
by wire transfer of
immediately available
funds to BancOhio National
Bank, Columbus, Ohio, for
credit to the account of
Public Employees Retirement
System of Ohio, Account No.
801-8-10273 with sufficient
information to identify the
source and application of

* In accordance with Paragraph 2 of this Agreement, the Lessee has the right to increase the Minimum Deposit of each Permanent Investor up to the amount set forth under the column Maximum Commitment opposite such Permanent Investor's name.

<u>Name and Address</u>	<u>Minimum Deposit*</u>	<u>Maximum Commitment*</u>
such funds. Notices should be mailed to the attention of the Accounting Department.		
STATE OF WISCONSIN INVESTMENT BOARD 244 W. Washington Avenue Madison, Wisconsin 53702	\$ 7,000,000	\$ 7,350,000
Attention of Private Placements		
Payments by wire transfer of immediately available funds to First Wisconsin National Bank of Milwaukee, Milwaukee, Wisconsin 53302, for credit to the account of the State Treasurer, with telephone advice by First Wisconsin to the State Investment Board with sufficient information to identify the source and application of such funds.		
STATE FARM LIFE INSURANCE COMPANY One State Farm Plaza Bloomington, Illinois 61701	5,400,000	5,670,000
Attention of Investment Department, Corporate Fixed Income		
All payments by bank wire transfer of immediately available funds to Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, 1980-2, Chicago, Illinois 60693, for credit to State Farm Life Insurance Company, Account No. 12-21499-5.		

Owners

General Electric Credit Corporation
P.O. Box 8300
Stamford, Connecticut 06904

Attention of Manager, Operations--Transportation
Financing Department,

with separate copy to the attention of each of:

Investment Officer--Rail Component; and
Contracts Administration--Rail Component

Connell Leasing Company,
A Division of Connell Rice & Sugar Co., Inc.,
45 Cardinal Drive
Westfield, New Jersey 07092

Attention of Grover Connell, President.

[CS&M Ref. 5415-005]

EXHIBIT C
to
Participation Agreement

Conditional Sale Agreement dated as of April 1, 1982, as amended (Secured by Lease Obligations of Burlington Northern Railroad Company) Interest Rate: 15-1/2%.

CERTIFICATE OF INTEREST

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
("Agent") hereby acknowledges receipt from

("Permanent Investor") of

(\$), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of an Amended and Restated Participation Agreement and Amendment dated as of September 1, 1982, ("Agreement"), among Burlington Northern Railroad Company ("Lessee"), the Agent, The Connecticut Bank and Trust Company, as Trustee ("Trustee"), under a Trust Agreement dated as of April 1, 1982, with the parties named in Appendix II to the Agreement ("Owners"), the Owners, the Investor named therein and the Permanent Investors named therein. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the CSA Indebtedness (as defined in the Conditional Sale Agreement hereinafter mentioned) and in and to (i) the Conditional Sale Agreement dated as of April 1, 1982, as amended by the Agreement ("CSA"), between the Trustee and General Electric Company ("Builder") and the railroad equipment covered by the CSA, (ii) the Agreement and Assignment dated as of April 1, 1982, between the Builder and the Agent, (iii) the right and security interest of the Agent in and to the Lease of Railroad Equipment dated as of April 1, 1982, as amended by the Agreement, between the Lessee and the Trustee, (iv) the Assignment of Lease and Agreement dated as of April 1, 1982, between the Trustee and the Agent and (v) all cash and other property from time to time held by the Agent under the Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence as defined therein) and the Agreement (i) such principal amount is payable in 16 annual installments on January 2 in each year commencing January 2, 1984, to and

including January 2, 1999, calculated as provided in the CSA, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on December 31, 1982, and thereafter on each January 2 and July 2 commencing on July 2, 1983, until such principal amount shall have been paid in full, at 15-1/2% per annum, (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 16-1/2% per annum. The Agent has furnished or promptly will furnish to the Permanent Investor a schedule of payments reflecting the dates and amounts of principal and interest payments to be made in respect of the interests of the Permanent Investor. All payments received by the Agent in accordance with the terms of the Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Agreement.

The interests of the Permanent Investor referred to in this Certificate of Interest may not be transferred except in the manner provided for in Paragraph 5 of the Agreement and subject to the terms, conditions and limitations provided therein.

Dated:

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent under
the Agreement,

by

Authorized Officer

INQUIRY SHOULD BE MADE TO THE AGENT IF CERTIFICATION
AS TO BALANCE DUE HEREUNDER IS REQUIRED.

Schedule I
to
CONDITIONAL SALE AGREEMENT

Amortization Schedule
of each \$10,000,000 15-1/2%
Conditional Sale Indebtedness

Schedule for Settlements Before September 23, 1982

Installment No.	Date Due	Debt Service	Interest Payment	Principal Recovery	Ending Principal
(Interim)	December 31, 1982	\$ * \$	* \$	-0-	\$10,000,000.00
1	July 2, 1983	783,611.11**	783,611.11**		
2	January 2, 1984	962,447.34	775,000.00	187,447.34	9,812,552.66
3	July 2, 1984	760,472.83	760,472.83		
4	January 2, 1985	1,044,612.18	760,472.83	284,139.35	9,528,413.31
5	July 2, 1985	738,452.03	738,452.03		
6	January 2, 1986	1,066,632.98	738,452.03	328,180.95	9,200,232.36
7	July 2, 1986	713,018.01	713,018.01		
8	January 2, 1987	1,092,067.01	713,018.01	379,049.00	8,821,183.36
9	July 2, 1987	683,641.71	683,641.71		
10	January 2, 1988	1,121,443.31	683,641.71	437,801.60	8,383,381.76
11	July 2, 1988	649,712.09	649,712.09		
12	January 2, 1989	949,780.04	649,712.09	300,067.95	8,083,313.81
13	July 2, 1989	626,456.82	626,456.82		
14	January 2, 1990	939,607.15	626,456.82	313,150.33	7,770,163.48
15	July 2, 1990	602,187.67	602,187.67		
16	January 2, 1991	938,100.08	602,187.67	335,912.41	7,434,251.07
17	July 2, 1991	576,154.46	576,154.46	572,553.44	
18	January 2, 1992	1,340,889.30	576,154.46	764,734.84	6,669,516.23
19	July 2, 1992	516,887.51	516,887.51		
20	January 2, 1993	1,212,638.57	516,887.51	695,751.06	5,973,765.17
21	July 2, 1993	462,966.80	462,966.80		
22	January 2, 1994	1,171,760.62	462,966.80	708,793.82	5,264,971.35
23	July 2, 1994	408,035.28	408,035.28		
24	January 2, 1995	1,170,959.73	408,035.28	762,924.45	4,502,046.90
25	July 2, 1995	348,908.63	348,908.63		
26	January 2, 1996	1,174,650.45	348,908.63	825,741.82	3,676,305.08
27	July 2, 1996	284,913.64	284,913.64		
28	January 2, 1997	1,179,621.09	284,913.64	894,707.45	2,781,597.63
29	July 2, 1997	215,573.82	215,573.82		
30	January 2, 1998	1,185,144.50	215,573.82	969,570.68	1,812,026.95
31	July 2, 1998	140,432.09	140,432.09		
32	January 2, 1999	<u>1,952,459.04</u>	<u>140,432.09</u>	<u>1,812,026.95</u>	<u>-0-</u>
		\$27,014,237.89	\$17,014,237.89	\$10,000,000.00	\$ -0-

* Interest only shall be payable to the extent accrued on this date.

** These amounts will be lower in respect of any CSA Indebtedness created after December 31, 1982.

Schedule I
to
CONDITIONAL SALE AGREEMENT

Amortization Schedule
of each \$10,000,000 15-1/2%
Conditional Sale Indebtedness

Schedule for Settlements On or After September 23, 1982

Installment No.	Date Due	Debt Service	Interest Payment	Principal Recovery	Ending Principal
(Interim)	December 31, 1982	\$ * \$	*	-0-	\$10,000,000.00
1	July 2, 1983	783,611.11**	783,611.11**		
2	January 2, 1984	1,020,223.55	775,000.00	245,223.55	9,754,776.45
3	July 2, 1984	755,995.17	755,995.17		
4	January 2, 1985	1,039,228.37	755,995.17	283,233.20	9,471,543.25
5	July 2, 1985	734,044.60	734,044.60		
6	January 2, 1986	1,061,178.94	734,044.60	327,134.34	9,144,408.91
7	July 2, 1986	708,691.69	708,691.69		
8	January 2, 1987	1,086,531.86	708,691.69	377,840.17	8,766,568.74
9	July 2, 1987	679,409.08	679,409.08		
10	January 2, 1988	1,115,814.47	679,409.08	436,405.39	8,330,163.35
11	July 2, 1988	645,587.66	645,587.66		
12	January 2, 1989	943,756.43	645,587.66	298,168.77	8,031,994.58
13	July 2, 1989	622,479.58	622,479.58		
14	January 2, 1990	933,374.22	622,479.58	310,894.64	7,721,099.94
15	July 2, 1990	598,385.25	598,385.25		
16	January 2, 1991	931,698.82	598,385.25	333,313.57	7,387,786.37
17	July 2, 1991	572,553.44	572,553.44		
18	January 2, 1992	1,332,146.36	572,553.44	759,592.92	6,628,193.45
19	July 2, 1992	513,684.99	513,684.99		
20	January 2, 1993	1,203,730.96	513,684.99	690,045.97	5,938,147.48
21	July 2, 1993	460,206.43	460,206.43		
22	January 2, 1994	1,162,445.46	460,206.43	702,239.03	5,235,908.45
23	July 2, 1994	405,782.90	405,782.90		
24	January 2, 1995	1,161,294.11	405,782.90	755,511.21	4,480,397.24
25	July 2, 1995	347,230.79	347,230.79		
26	January 2, 1996	1,164,634.22	347,230.79	817,403.43	3,662,993.81
27	July 2, 1996	283,882.02	283,882.02		
28	January 2, 1997	1,169,232.89	283,882.02	885,350.87	2,777,642.94
29	July 2, 1997	215,267.33	215,267.33		
30	January 2, 1998	1,174,352.87	215,267.33	959,085.54	1,818,557.40
31	July 2, 1998	140,938.20	140,938.20		
32	January 2, 1999	1,959,495.60	140,938.20	1,818,557.40	-0-
		\$26,926,889.37	\$16,926,889.37	\$10,000,000.00	\$ -0-

* Interest only shall be payable to the extent accrued on this date.

** These amounts will be lower in respect of any CSA Indebtedness created after December 31, 1982.

APPENDIX B-1 TO LEASE

Basic Lease Rates for Schedule A Units

<u>Date</u>	<u>For Units Settled For Before September 23, 1982 Percentage of Purchase Price*</u>	<u>For Units Settled For On or After September 23, 1982 Percentage of Purchase Price*</u>
1/2/84	10.51812659%	10.38385003%
1/2/85	10.51812659%	10.38385003%
1/2/86	10.51812659%	10.38385003%
1/2/87	10.51812659%	10.38385003%
1/2/88	10.51812659%	10.38385003%
1/2/89	10.51812659%	10.38385003%
1/2/90	10.51812659%	10.38385003%
1/2/91	10.51812659%	10.38385003%
1/2/92	12.85548808%	12.69137229%
1/2/93	12.85548808%	12.69137229%
1/2/94	12.85548808%	12.69137229%
1/2/95	12.85548808%	12.69137229%
1/2/96	12.85548808%	12.69137229%
1/2/97	12.85548808%	12.69137229%
1/2/98	12.85548808%	12.69137229%
1/2/99	12.85548808%	12.69137229%

* As defined in paragraph 4.1 of the CSA.

APPENDIX B-2 TO LEASE

Contingent Lease Rates for Schedule A Units

<u>Date</u>	<u>For Units Settled For Before September 23, 1982 Percentage of Purchase Price*</u>	<u>For Units Settled For On or After September 23, 1982 Percentage of Purchase Price*</u>
12/31/82	**	**
7/2/83	4.55992801%***	4.53252758%***
7/2/84	4.42528355%	4.37279279%
7/2/85	4.29714187%	4.24582724%
7/2/86	4.14913820%	4.09918213%
7/2/87	3.97819396%	3.92980695%
7/2/88	3.78075338%	3.73417862%
7/2/89	3.64542814%	3.60051794%
7/2/90	3.50420302%	3.46115260%
7/2/91	3.35271260%	3.31173749%
7/2/92	3.00783105%	2.97143554%
7/2/93	2.69405993%	2.66190499%
7/2/94	2.37440674%	2.34711092%
7/2/95	2.03034164%	2.00843648%
7/2/96	1.65794702%	1.64201740%
7/2/97	1.25445017%	1.24513945%
7/2/98	0.81719133%	0.81520829%

* As defined in paragraph 4.1 of the CSA. If only one Owner fails to transmit to the Vendor its funds due on any date specified below, the percentage set forth above opposite such date shall be reduced to the percentage obtained by multiplying the percentage set forth opposite such date by the percentage share of such Owner set forth in Section 1.04 of the Trust Agreement.

** Such percentage of Purchase Price as shall be equal to the interest payable to the Permanent Investors on December 31, 1982.

*** This figure will be lower in respect of any CSA Indebtedness created after December 31, 1982.

APPENDIX C TO LEASE

Casualty Values for Schedule A Units

<u>Casualty Payment Date</u>	<u>Settlements Prior To September 23, 1982 Percentage of Purchase Price</u>	<u>Settlements On or After September 23, 1982 Percentage of Purchase Price</u>
January 2, 1983	96.10%	93.55%
July 2, 1983	104.41%	102.06%
January 2, 1984	99.67%	97.67%
July 2, 1984	107.54%	105.69%
January 2, 1985	101.72%	100.14%
July 2, 1985	109.01%	107.53%
January 2, 1986	102.08%	100.78%
July 2, 1986	108.71%	107.44%
January 2, 1987	100.61%	99.43%
July 2, 1987	106.57%	105.36%
January 2, 1988	98.40%	97.25%
July 2, 1988	104.01%	102.83%
January 2, 1989	95.91%	94.82%
July 2, 1989	101.16%	100.03%
January 2, 1990	92.99%	91.94%
July 2, 1990	98.04%	96.97%
January 2, 1991	89.79%	88.80%
July 2, 1991	94.64%	93.62%
January 2, 1992	83.96%	83.06%
July 2, 1992	88.40%	87.47%
January 2, 1993	77.55%	76.75%
July 2, 1993	81.57%	80.75%
January 2, 1994	70.54%	69.85%
July 2, 1994	74.13%	73.42%
January 2, 1995	62.92%	62.35%
July 2, 1995	66.02%	65.43%
January 2, 1996	54.61%	54.17%
July 2, 1996	57.19%	56.74%
January 2, 1997	45.56%	45.26%
July 2, 1997	47.58%	47.27%
January 2, 1998	32.73%	32.57%
July 2, 1998	34.14%	33.98%
January 2, 1999	20.00%	20.00%

[CS&M Ref. 5415-005]

AMENDED AND RESTATED PARTICIPATION AGREEMENT
AND AMENDMENT

AMONG

BURLINGTON NORTHERN RAILROAD COMPANY,
as Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent,

the PARTIES NAMED IN APPENDIX II HERETO,
as Owners,

THE CONNECTICUT BANK AND TRUST COMPANY,
as Trustee,

CONNELL FINANCE COMPANY, INC.,
as Investor,

and

the PARTIES NAMED IN APPENDIX I HERETO,
as Permanent Investors,

DATED AS OF SEPTEMBER 1, 1982

[Covering 53 GE Diesel Electric Locomotives]

Conditional Sale Indebtedness due January 2, 1999

[Amending and restating the Participation Agreement and
amending the Conditional Sale Agreement, the Lease of
Railroad Equipment, the Trust Agreement and the
Indemnity Agreement, each dated as of April 1,
1982.]

AMENDED AND RESTATED PARTICIPATION AGREEMENT AND AMENDMENT ("Agreement") dated as of September 1, 1982, among BURLINGTON NORTHERN RAILROAD COMPANY, a Delaware corporation ("Lessee"), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation ("Agent"), the PARTIES NAMED IN APPENDIX II HERETO (severally "Owner" and collectively "Owners"), THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not individually but solely in its capacity as Trustee ("Trustee") under a Trust Agreement dated as of April 1, 1982, with the Owners ("Trust Agreement"), CONNELL FINANCE COMPANY, INC., a New Jersey corporation ("Investor" and, together with its successors and assigns, "Investors"), and the PARTIES NAMED IN APPENDIX I HERETO (severally "Permanent Investor" and collectively, together with their successors and assigns, "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1982 (the "Participation Agreement"), providing for the leveraged lease financing of 53 diesel electric locomotives, described in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS each Owner pursuant to the Trust Agreement has authorized and directed the Trustee to purchase the Equipment from General Electric Company ("Builder") pursuant to a Conditional Sale Agreement ("CSA") dated as of April 1, 1982; and the Builder has retained or will retain a security interest in the units of Equipment constructed, sold and delivered by it pursuant to the CSA until the Trustee fulfills its obligations under the CSA;

WHEREAS the Lessee has leased or will lease from the Trustee all the units of the Equipment delivered and accepted under the CSA, pursuant to a Lease of Railroad Equipment ("Lease") dated as of April 1, 1982;

WHEREAS the Investor has furnished 58.1912118% of the cost of the Equipment delivered prior to the Deposit Date (as defined in Paragraph 2 hereof) by investing in the CSA Indebtedness (as defined in paragraph 4.3(b) of the CSA) and the Owners have furnished 41.8087882% of the cost of

such Equipment by making funds available to the Trustee under the Trust Agreement;

WHEREAS the Lessee has agreed to and will indemnify each Owner pursuant to an Indemnity Agreement ("Indemnity Agreement"), between the Lessee and the Owners, against certain losses, liabilities or expenses incurred or suffered by the Owners;

WHEREAS the security interest of the Builder in the Equipment has been assigned to the Agent, acting on behalf of the Investors (including the Permanent Investors), pursuant to an Agreement and Assignment dated as of April 1, 1982 ("CSA Assignment"), and the Lease has been assigned to the Agent pursuant to an Assignment of Lease and Agreement ("Lease Assignment") dated as of April 1, 1982, until the Trustee fulfills all its obligations under the CSA; and the Lessee has acknowledged and consented thereto pursuant to the Consent and Agreement dated as of April 1, 1982 ("Consent");

WHEREAS the CSA, the CSA Assignment, the Lease and the Lease Assignment were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on April 27, 1982, at 12:05 p.m., recordation numbers 13628, 13628-A, 13628-B and 13628-C, respectively, and were deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada on April 28, 1982, at 9:30 a.m.; and

WHEREAS the Permanent Investors propose to acquire the Investor's interest in the CSA Indebtedness and to furnish 57.84154316% of the cost of any Equipment settled for on and after the Deposit Date by investing in the CSA Indebtedness pursuant hereto, and the Owners will furnish 42.15845684% of the cost of such Equipment by making funds available to the Trustee under the Trust Agreement, and in connection therewith, the interest rate on the CSA Indebtedness will be changed to 15-1/2% per annum ("Debt Rate") and a corresponding change will be made in the rents and certain other amounts payable under the Lease, all as more fully set forth below;

WHEREAS the parties hereto desire to amend and restate the Participation Agreement and amend the CSA, the Lease, the Trust Agreement and the Indemnity Agreement as herein set forth;

NOW, THEREFORE, in consideration of the agreements and the covenants hereinafter contained, the parties hereby agree as follows:

1. The Trustee and each Owner have entered into the Trust Agreement, and the Trustee has entered into the CSA and pursuant thereto has purchased or will purchase, subject to the conditions hereinafter provided, the units of Equipment described in Annex B to the CSA having an aggregate Purchase Price (as defined in paragraph 4.1 of the CSA) not exceeding the amount set forth in Item 5 of Annex A of the CSA.

The Lessee has assigned, transferred, and set over unto the Trustee and its successors and assigns all the right, title and interest of the Lessee in and to any contractual arrangements with the Builder (such arrangements being hereinafter collectively called the "Purchase Order"), insofar as they relate to the Equipment; provided, however, that it is agreed that all obligations of the Trustee to the Builder under the Purchase Order shall be superseded by the CSA and the obligations of the Trustee to purchase and pay for the Equipment shall be exclusively and completely governed by, and subject to, the conditions provided herein and in the CSA.

The Lessee covenants with the Trustee and the Owners, and with the Builder as a third party beneficiary hereof, that, in the event of the exclusion of any unit of Equipment from the CSA as provided in paragraph 3.3 thereof, the Lessee will be obligated to accept all such units completed and delivered by the Builder and to pay the full purchase price therefor when due, all in accordance with the terms of the applicable Purchase Order therefor unless arrangements satisfactory to the Builder have otherwise been made for financing such units, and the Trustee will reassign, transfer and set over to or upon the order of the Lessee all the right, title and interest of the Trustee in and to the units so excluded.

The parties hereto agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to Paragraph 2 hereof, from and after the Deposit Date (a) the Investor hereby transfers and assigns to the Permanent Investors all its right, title and interest in and to the CSA Indebtedness, (b) the Participation Agreement shall be amended and restated and the CSA, the Lease, the Trust Agreement and the Indemnity Agreement shall each be amended as set forth herein and (c) unless the

context otherwise requires, the terms "CSA", "Trust Agreement", "Indemnity Agreement" and "Lease", as used in this Agreement, the CSA, the Lease, the Trust Agreement, the CSA Assignment, the Lease Assignment, the Consent and the Indemnity Agreement (collectively, "Participation Documents"), shall mean, respectively, ~~this Agreement and~~ the CSA, the Trust Agreement, the Indemnity Agreement and the Lease, each as amended hereby, and the term "Participation Agreement" as used in any of the Participation Documents, other than this Agreement, shall mean this Agreement. By their execution and delivery of this Agreement, the Owners authorize the Trustee to execute and deliver this Agreement and to carry out its terms.

2. Subject to the terms and conditions hereof, each Permanent Investor will pay to the Agent, in immediately available funds, not later than 11:00 a.m., Baltimore time, on September 23, 1982 ("Deposit Date"), an amount equal to the amount of the commitment set forth opposite such Permanent Investor's name under Minimum Deposit in Appendix I hereto. The Lessee shall have the right to increase the aggregate commitment of each Permanent Investor up to the amount set forth opposite its name under Maximum Commitment in Appendix I hereto by giving written notice to the Agent and each Permanent Investor not later than 10 days prior to the Deposit Date, specifying the amount of such increase, and each Permanent Investor shall thereupon become obligated to pay or cause to be paid to the Agent in immediately available funds, not later than 11:00 a.m., Baltimore time, on the Deposit Date the amount of its increased commitment as specified in said notice. The Agent will give to each Permanent Investor written notice of the payment to be made on the Deposit Date at least 5 business days prior to such Deposit Date. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department Account No. 08246-5 with advice that the deposit is "Re: BN 4/1/82".

Upon payment to the Agent of the amount required to be paid by a Permanent Investor pursuant to this Paragraph 2 on the Deposit Date, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor), a certificate or certificates of interest with respect to such payment,

substantially in the form annexed hereto as Appendix III, containing the appropriate information and dated the Deposit Date.

Subject to the terms and conditions hereof, upon payment to the Agent on the Deposit Date of the amount to be paid by each Permanent Investor pursuant hereto, the Agent will pay to the Investor an amount equal to the sum of the aggregate unpaid CSA Indebtedness represented by the certificates of interest theretofore delivered to the Investor under the Participation Agreement; and the Investor, simultaneously with the payment to it of such amount, will surrender such certificates to the Agent for cancellation; it being understood that the Owners will pay, or will cause the Trustee to pay, to the Investor on the Deposit Date accrued and unpaid interest on the aggregate amount of CSA Indebtedness held by the Investor at the rates provided in its certificates of interest which shall be purchased by the Permanent Investors on the Deposit Date and the Investor agrees to look solely to the Owners for such payment on the Deposit Date.

So long as, to the actual knowledge of the Agent, the Lessee is not in default under this Agreement or the Participation Agreement and no event of default or event which with 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 (any such default, event of default or event being hereinafter called a "Default"), the Agent will, upon the written direction of the Lessee (which shall specify that, to the knowledge of the Lessee, no Default has occurred and is continuing), invest and reinvest (whether through outright purchase or repurchase agreements) the moneys deposited with it pursuant to this Paragraph 2 not required to be paid to the Investor in (i) bonds or other obligations which as to principal and interest constitute direct obligations of the United States of America or are issued or guaranteed by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States and for which the full faith and credit of the United States Government is pledged to provide for the payment of principal and interest, (ii) certificates of deposit issued by or bankers' acceptances drawn on and accepted by commercial banks which are members of the Federal Reserve System with total deposits of at least \$1,000,000,000, and which at the time of such investment have, or whose parent companies have, outstanding publicly-held senior debt securities rated A or better by a

nationally recognized rating service, (iii) obligations issued or guaranteed by any state of the United States or the District of Columbia rated AA or better by a nationally recognized rating service, (iv) finance company paper or commercial paper rated A-1 or P-1 by Standard & Poor's Corporation or Moody's Investors Service, Inc., respectively, except such paper of the Lessee or the Owner or any "related person" of the Lessee or the Owner as that term is defined by Section 103(b)(6)(C) of the Internal Revenue Code, and except such paper of any person which is not incorporated in the United States or (v) repurchase agreements fully secured by any one or more of the obligations referred to in clause (i) above, in each case of clauses (i) through (v), maturing in not more than 90 days from the date of such investment (but not later than July 2, 1983) (such investments being hereinafter called "Investments"). Upon any sale or payment at maturity of any Investment, the proceeds thereof, plus any interest received by the Agent thereon, shall be held by the Agent for application pursuant to Paragraph 9 hereof. If such proceeds (plus such interest) shall be less than the cost (including accrued interest) of such Investment, the Owners will pay to the Agent an amount equal to such deficiency ("Investment Deficiency") on or before the date the Agent shall be required to pay such amount or any portion thereof to the Builder or the Permanent Investors pursuant to Paragraph 9 hereof. The obligation to make any payment in respect to such Investment Deficiency shall be the joint and several obligation of each Owner, and any such payment shall be held and applied by the Agent in like manner as the proceeds of the sale of Investments.

The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Baltimore, Maryland, Hartford, Connecticut, or New York, New York, are authorized or obligated to remain closed. All interest under this Agreement (including payments made pursuant to Paragraph 9 hereof) shall be calculated on the basis of a 360-day year of twelve 30-day months. The rate of interest payable under this Agreement to the Permanent Investors shall be 15-1/2% per annum ("Debt Rate").

As soon as practicable after delivery to each Permanent Investor of the certificate or certificates of interest, the Agent will also deliver to such Permanent Investor a schedule of payments reflecting the dates and amounts of principal and interest payments to be made in respect of such certificate. Each Permanent Investor,

simultaneously with the final payment to it of all amounts payable in respect of such certificate, will surrender such certificate to the Agent.

Pursuant to the CSA Assignment the Agent has acquired from the Builder all its right, security title and interest under the CSA, except as specifically excepted by the CSA Assignment. Pursuant to the Lease Assignment, the Agent has acquired for security purposes the rights of the Trustee in, to and under the Lease, except as specifically excepted by the Lease Assignment.

The Participation Documents are hereby approved by the Permanent Investors. Except as herein provided, the Agent will not enter into or consent to any modification or supplement to, or waiver with respect to, any of the Participation Documents without the prior written approval of the Permanent Investors except to the extent permitted by Article 23 of the CSA.

The Agent will hold the moneys deposited with it pursuant hereto and the rights under the CSA acquired under the CSA Assignment, security title to the Equipment following its delivery and acceptance under the CSA, as provided in the CSA Assignment and the CSA, the security interest in the Lease and any payments received by it pursuant to the Lease, in trust for the benefit of the Permanent Investors. It is expressly understood and agreed that the obligations of the Agent hereunder as such title holder and with respect to the payments to the Permanent Investors to be made by the Agent are only those expressly set forth herein.

All transactions pursuant hereto which shall occur on the Deposit Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously.

3. The Lessee represents and warrants to each Owner, the Trustee, the Agent, the Investor and each Permanent Investor as follows:

(a) The Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of the Lessee require such qualification.

(b) The Lessee has corporate power and authority and legal right to carry on its business as now conducted, and is duly authorized and empowered to execute and deliver this Agreement and to fulfill and comply with the terms, conditions and provisions of this Agreement, the Lease, the Consent and the Indemnity Agreement ("Lessee Documents"); the Lessee Documents have been duly authorized, and have been, or will be on or before the Deposit Date, duly executed and delivered by the Lessee, and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute or will then constitute legal, valid and binding agreements, enforceable against the Lessee in accordance with their terms.

(c) There are no actions, suits or proceedings, whether or not purportedly on behalf of the Lessee, pending or (to the knowledge of the Lessee) threatened against or affecting the Lessee or any property rights of the Lessee at law or in equity, or before any commission or other administrative agency, which, if determined adversely to the Lessee, would materially and adversely affect the condition, financial or otherwise, of the Lessee or its ability to perform its obligations under the Lessee Documents; and the Lessee is not in default with respect to any order or decree, of which it has knowledge, of any court or governmental commission, agency or instrumentality which would materially and adversely affect the condition, financial or otherwise, of the Lessee.

(d) Neither the execution and delivery of the Lessee Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the charter or the by-laws of the Lessee or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is a party or by which it or its property may be bound, or constitute (with or without the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Lessee or upon the Equipment pursuant to the terms of any such agreement or instrument, other than any encumbrance on the leasehold

estate of the Lessee which is subject and subordinate to the interests of the Trustee and the Agent. The Lessee is not in default, and no event has occurred which, with the giving of notice or lapse of time or both would be a default, under any of the terms, conditions or provisions of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is a party or by which it or its property may be bound which would materially and adversely affect the Lessee's ability to perform its obligations under the Lessee Documents.

(e) Neither the execution and delivery by the Lessee of the Lessee Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality.

(f) On or before the Deposit Date, this Agreement will have been duly filed with the Interstate Commerce Commission pursuant to 40 U.S.C. § 11303 and deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and provision will have been made for publication of notice of such deposit in The Canada Gazette in accordance with said Section 86 and such filing and deposit will protect the Agent's and the Trustee's interests in and to the Lease and in and to the Equipment and no other filing, recording or deposit (or giving of notice) with any other Federal, state or local government is necessary in order to protect the interests of the Agent or the Trustee under the CSA or the Lease in and to the Equipment in the United States of America or under the Lease in Canada.

(g) The Lessee is not entering into this Agreement or any other transaction contemplated hereby, directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it, any Owner, the Builder, any Permanent Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Lessee covenants that it will not sublease the Equipment subject to the Lease to any

person which is at the time a party in interest with respect to any employee benefit plan the assets of which were used by any Owner or any Permanent Investor in making its investment pursuant to this Agreement, all within the meaning of ERISA.

(h) No authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia, or of Canada or any Province thereof is necessary in connection with the execution, delivery and performance of the Lessee Documents.

(i) The Lessee has not directly or indirectly offered or sold any of the CSA Indebtedness to, solicited offers to buy any of the CSA Indebtedness from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any of the CSA Indebtedness with, any person so as to require registration of the sale of the CSA Indebtedness in accordance with the provisions of the Securities Act of 1933, as amended, or to require the qualification of the CSA or any other instrument or agreement contemplated hereby or thereby under the Trust Indenture Act of 1939. The Lessee will not offer any CSA Indebtedness to, or solicit any offer to buy any thereof from, any other person or approach or negotiate with any other person in respect thereof, so as to require registration of the sale of the CSA Indebtedness in accordance with the provisions of said Securities Act.

(j) The Lessee has filed all Federal tax returns and all foreign, state and local tax returns which (to its knowledge) are required to be filed, and has paid or made provision for the payment of, all taxes which have or may become due pursuant to said returns or pursuant to any assessment received by it, other than taxes which are being contested in good faith.

(k) The Lessee has furnished to the Trustee, the Agent, each Permanent Investor and the Investor audited consolidated balance sheets of the Lessee as of December 31, 1980, and December 31, 1981, and related statements of consolidated income, stockholders' equity and changes in financial position for the years then ended. Such financial statements are in accordance with the books and records of the Lessee and have been prepared in accordance with generally accepted

accounting principles applied on a consistent basis throughout the periods covered by the financial statements. The financial statements present fairly the financial condition of the Lessee at such dates and the results of its operations and changes in its financial position for such periods; and from the date of the last balance sheet there has not been any material adverse change in the business or financial condition of the Lessee, except to the extent, if any, disclosed in the Lessee's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1982, and June 30, 1982, copies of which have been furnished to the Owners and the Permanent Investors.

4. Each Owner represents and warrants to the Trustee, the Lessee, the Agent, the Investor, each Permanent Investor and the other Owner as follows:

(a) Such Owner is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation.

(b) Such Owner has the power and authority and legal right to carry on its business as now conducted and is duly authorized and empowered to execute and deliver this Agreement, the Indemnity Agreement and the Trust Agreement ("Owner Documents") and to fulfill and comply with the terms, conditions and provisions thereof.

(c) The Owner Documents have been duly authorized, executed and delivered by such Owner and, assuming due authorization, execution and delivery by the other parties thereto, are legal, valid and binding instruments, enforceable against such Owner in accordance with their terms.

(d) Neither the execution and delivery of the Owner Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with or result in a breach of, any of the terms, conditions or provisions of the charter or by-laws of such Owner or of any bond, debenture, note, mortgage, indenture, agreement or other instrument pursuant to which indebtedness for money borrowed has been incurred to which such Owner is a party or by which it or its property may be bound, or constitute (with or without the giving of notice or the

passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon the Equipment pursuant to the terms of any such agreement or instrument. Such Owner is not in default, and no event has occurred which, with the giving of notice or lapse of time or both would be a default, under any of the terms, conditions or provisions of any such bond, debenture, note, mortgage, indenture, agreement or other instrument to which such Owner is a party or by which it or its property may be bound which would materially and adversely affect its ability to perform its obligations under the Owner Documents.

(e) Neither the execution and delivery by such Owner of the Owner Documents nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality.

(f) No authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to its knowledge, necessary in connection with the execution, delivery and performance of the Owner Documents.

(g) There are no actions, suits or proceedings, whether or not purportedly on behalf of such Owner, pending or (to the knowledge of such Owner) threatened against or affecting such Owner or any property rights of such Owner at law or in equity, or before any commission or other administrative agency, which, if determined adversely to such Owner, would materially and adversely affect the condition, financial or otherwise, of such Owner or its ability to perform its obligations under the Owner Documents.

(h) Such Owner is making its investment in the Equipment (pursuant to the Trust Agreement and this Agreement) with its general assets, and not directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan (other than a governmental plan), all within the meaning of ERISA.

Such Owner covenants that it will not transfer its interest acquired pursuant to this Agreement (and the Trust Agreement) directly or indirectly to, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Lessee, such Owner, the other Owner, the Builder, any Permanent Investor or the Trustee in its individual capacity is at the time a party in interest, all with the meaning of ERISA.

5. Each Permanent Investor represents to the Trustee, the Lessee, the Owners, the Investor and each other Permanent Investor as follows:

(a) Such Permanent Investor is acquiring its interest in the aggregate CSA Indebtedness for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distribution or selling the same; provided, however, that the disposition of its property shall at all times be within its control.

(b) Either such Permanent Investor is acquiring its interest in the CSA Indebtedness with assets of a "governmental plan" or such Permanent Investor is not acquiring such interest directly or indirectly with assets drawn from any "separate account", all as defined in ERISA.

(c) Such Permanent Investor represents that it has full power and authority to execute and deliver this Agreement and to carry out its terms.

Each Permanent Investor hereby agrees that any transfer of all or any part of its interest in the CSA Indebtedness shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement. Prior to any such transfer, such Permanent Investor shall notify the Agent in writing thereof; and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanent Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

6. The Trustee represents and warrants to each Owner, the Lessee, the Agent, the Investor and each Permanent Investor as follows:

(a) The Trustee is a corporation duly organized, validly existing and in good standing under the laws of its state of organization.

(b) The Trustee has the corporate power and authority and legal right under Connecticut and Federal law to carry on its business as now conducted and is duly authorized and empowered under such laws, acting pursuant to the Trust Agreement, to execute and deliver this Agreement and to fulfill and comply with the terms, conditions and provisions of this Agreement, the CSA, the Lease, the Lease Assignment and the Acknowledgment of Notice of Assignment ("Trustee Documents").

(c) The Trustee Documents have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the other parties thereto, are legal, valid and binding instruments of the Trustee, enforceable against the Trustee in accordance with their terms.

(d) The Trustee is not entering into this Agreement, or any other transaction contemplated hereby, directly or indirectly in connection with any arrangement by it in any way involving any employee benefit plan (other than a governmental plan), with respect to which the Trustee in its individual capacity, or to its knowledge, any Owner, the Builder, any Permanent Investor or the Lessee is a party in interest, all within the meaning of ERISA.

7. The obligation of each Permanent Investor to make payment to the Agent pursuant to Paragraph 2 hereof and the obligation of the Agent to make payment to the Investor on the Deposit Date pursuant to Paragraph 2 hereof shall be subject to the receipt by the Agent on or prior to the Deposit Date of the following documents, dated (except in the case of the opinion referred to in subparagraph (d) below and the policies or certificates referred to in subparagraph (h) below) on or not more than 10 days prior to the Deposit Date:

(a) An opinion of Messrs. Cravath, Swaine & Moore, special counsel for the Investor, the Permanent Investors and the Agent, to the effect that:

(i) this Agreement, assuming due authorization, execution and delivery by each Permanent

Investor, has been duly authorized, executed and delivered and is a legal, valid and binding instrument;

(ii) the CSA and the Lease have been duly authorized, executed and delivered and are legal, valid and binding instruments, enforceable in accordance with their terms;

(iii) the CSA Assignment, the Lease Assignment and the Consent have been duly authorized, executed and delivered and each is a legal, valid and binding instrument;

(iv) the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the CSA Assignment and, upon settlement for the Builder's units of Equipment pursuant to and in accordance with the CSA Assignment, the Agent will have a valid security interest therein;

(v) this Agreement, the CSA, the CSA Assignment, the Lease, the Lease Assignment and the Consent have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and provision has been made for publication of notice of such deposit in The Canada Gazette in accordance with said Section 86, and no other filing, recording or deposit (or giving of notice) with any other Federal, state or local government is necessary in order to protect the rights of the Agent therein or in the Equipment in any state of the United States of America or under the Lease in Canada;

(vi) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary in connection with the execution, delivery and performance of this Agreement, the CSA, the Lease, the CSA Assignment, the Lease Assignment and the Consent;

(vii) under the circumstances contemplated by this Agreement it is not necessary to register the

CSA, the CSA Assignment or any certificate of interest delivered pursuant hereto under the Securities Act of 1933, as in effect on the date of such opinion, or to qualify the CSA or any other instrument or agreement contemplated hereby or thereby under the Trust Indenture Act of 1939, as in effect on the date of such opinion;

(viii) the legal opinions referred to in subparagraphs (b), (c), (d) and (e) of this Paragraph 7 are satisfactory in form and scope to said special counsel and that in their opinion the Permanent Investors, the Investor, the Agent and they are justified in relying thereon;

and as to such other matters incident to the transactions contemplated by this Agreement as the Permanent Investors may reasonably request.

(b) An opinion of counsel for each Owner, to the effect set forth in subparagraphs (a), (b), (c) and (f) of Paragraph 4, insofar as such matters relate to such Owner.

(c) An opinion of counsel for the Lessee, to the effect set forth in subparagraphs (a), (b), (c), (e), (f) and (h) of Paragraph 3 and to the further effect that:

(i) other than liens and encumbrances which might attach and will be subject and subordinate to the right, title and interest of the Agent and the Trustee, no mortgage, deed of trust or other lien of any nature whatsoever which now covers or affects any property or interest therein of the Lessee, now attaches or hereafter will attach to the Equipment or in any manner affects or will affect adversely the right, title and interest of the Trustee or the Owners or the Agent therein; and

(ii) neither the execution and delivery of the Lessee Documents, nor the consummation of the transactions therein contemplated nor the fulfillment of, nor compliance with, the terms and provisions thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which

the Lessee is a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Lessee or upon the Equipment pursuant to the terms of any such agreement or instrument, other than any encumbrance on the leasehold estate of the Lessee which is subject and subordinate to the interests of the Trustee and the Agent.

(d) An opinion of counsel for the Builder to the effect set forth in clause (iv) of subparagraph (a) of this Paragraph 7 and to the further effect that (i) the Builder is a duly organized and existing corporation in good standing under the laws of its jurisdiction of incorporation and has the power and authority to own its properties and to carry on its business as now conducted, (ii) the CSA and the CSA Assignment have been duly authorized, executed and delivered by the Builder and, assuming due authorization, execution and delivery by the Trustee and the Agent, respectively, are legal and valid instruments binding on the Builder, enforceable in accordance with their respective terms and (iii) no sales or use tax in the jurisdiction of delivery will be incurred by the Trustee in connection with the sale by the Builder of the Equipment under the CSA.

(e) An opinion of counsel for the Trustee to the effect set forth in subparagraphs (a), (b) and (c) of Paragraph 6.

(f) A Certificate of an officer of the Lessee to the effect that the Lessee's representations and warranties contained in this Agreement are true on and as of the Deposit Date, with the same effect as though made on such date, that the Lessee is not currently in default nor does a condition exist nor has an event occurred which with the lapse of time and/or the giving of notice would constitute a default under this Agreement or the Lease and that there has been no material adverse change in the business or financial condition of the Lessee from that shown in the last audited financial statement referred to in Paragraph 3(k) hereof, except to the extent, if any, disclosed in the

Lessee's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1982, and June 30, 1982.

(g) A Certificate of an officer of each Owner to the effect that:

(i) no Federal tax liens (including tax liens filed pursuant to section 6323 of the Internal Revenue Code of 1954, as amended) or, to the best of his knowledge and belief, other tax liens have been filed and are currently in effect against such Owner which could adversely affect the interests of the Agent in the Equipment or the Lease;

(ii) no mortgage, deed of trust or other lien of any nature whatsoever now in existence which now covers or affects, or which may hereafter cover or affect, any property or interest therein of such Owner, now attaches or hereafter will attach to the Equipment or in any manner affects or will affect adversely the right, title and interest of the Agent therein; and

(iii) such Owner's representations and warranties contained in this Agreement are true on and as of the Deposit Date with the same effect as if made on such date.

(h) Certificates of insurance required to be delivered pursuant to the last sentence of § 7.8(1) of the Lease.

(i) Executed counterparts of this Agreement.

(j) Agreement and Consent executed by the Builder evidencing its consent to the transactions contemplated by this Agreement.

In giving the opinions specified in this Paragraph 7, counsel may qualify its opinion to the effect that any agreement is enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 7, counsel may rely (i) as to authorization, execution and delivery by the Builder of the documents executed by the Builder and, as

to title of the Builder to its Equipment, on the opinion of counsel for the Builder and (ii) as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinion of counsel for any Owner, the Trustee, the Builder, the Lessee or special Canadian counsel as to such matter. In giving the opinion specified in subparagraph (c) of this Paragraph 7, counsel may assume as to any matter governed by the law of any jurisdiction other than the State of Minnesota or the United States that the law of such other jurisdiction is the same as the law of the State of Minnesota, except that in the case of Canadian law, such counsel may rely on the opinion of special Canadian counsel.

The Deposit Date closing hereunder shall take place at the offices of Messrs. Cravath, Swaine & Moore, in New York, New York.

8. The Trustee's obligation to purchase and pay for units of Equipment on any Closing Date on or subsequent to the Deposit Date under the CSA shall be subject to the terms and conditions of the CSA. The Lessee agrees that the representations and warranties made by the Lessee to each Owner and the Trustee in the Participation Agreement referred to in the first recital to this Agreement shall survive the execution and delivery of this Agreement.

9. Subject to the terms and conditions hereof, upon the delivery to the Trustee under the CSA of the Equipment and the receipt by the Agent of the delivery papers with respect thereto to be delivered in accordance with the CSA Assignment, the Agent will on each Closing Date on or subsequent to the Deposit Date under the CSA:

(a) pay to the Builder in accordance with the CSA Assignment (and subject to the conditions specified in Section 4 thereof) out of moneys paid to the Agent pursuant to Paragraph 2 hereof and then on deposit with the Agent an amount equal to the CSA Indebtedness with respect to the units of Equipment then being settled for; and

(b) if such moneys then on deposit are insufficient to make such payment, promptly upon receipt of notice of closing with respect to such Equipment under the CSA, sell such portion of the Investments as may be necessary in order to provide sufficient funds for such payment and use the funds so derived, together with interest received on the Investments and any Investment

Deficiency paid by the Owners as contemplated by Paragraph 2 hereof and held by the Agent, to make such payment to the Builder required to be made on such Closing Date pursuant to the CSA Assignment.

If, on the earliest of (1) the last Closing Date under the CSA, (2) the date of any Default as to which the Agent has actual knowledge or (3) July 2, 1983 (the earliest of said dates being hereinafter called the "Repayment Date"), the aggregate CSA Indebtedness will be less than the amount theretofore deposited with the Agent pursuant to Paragraph 2 hereof (less any amounts of CSA Indebtedness paid or prepaid pursuant to Paragraph 10 hereof) (the amount of such difference being hereinafter called the "Surplus Deposit"), the Agent will promptly (i) notify each Permanent Investor thereof, (ii) sell all Investments then held by the Agent as promptly as possible and (iii) against surrender by each Permanent Investor to the Agent of the certificate or certificates of interest theretofore delivered by the Agent in respect of which a repayment is to be made, as hereinafter provided, promptly issue to such Permanent Investor a new certificate or certificates of interest evidencing such Permanent Investor's actual investment in the aggregate CSA Indebtedness (and a new schedule of payments reflecting such investment) and apply on the Repayment Date (or as promptly thereafter as possible) (a) the balance of the funds on deposit with the Agent pursuant to Paragraph 2 hereof, and (b) all proceeds of the sale of Investments and interest received by the Agent on Investments, together with any Investment Deficiency paid by the Owners as contemplated by Paragraph 2 and moneys paid to the Agent pursuant to the last paragraph of this Paragraph 9 to the repayment of a portion of the deposit made by each Permanent Investor hereunder up to the amount of the Surplus Deposit without premium, together with interest on such repayment as provided in clause (a) of the next paragraph hereof. Each Permanent Investor, at its option, in lieu of surrendering its certificate or certificates of interest as provided in the preceding sentence, may make appropriate notation on such certificate or certificates of interest of repayment of a portion of its investment. Any remaining balance of such funds and proceeds and interest thereon received by the Agent, after payment of all fees and expenses of the Agent in connection with the purchase and sale of Investments (including, without limitation, any cost or loss to the Agent if the Agent is requested to commit for any Investments prior to actual receipt of funds and such funds are not available when required), shall be retained by the Agent and credited against the payments required to be made

by the Owners pursuant to the immediately succeeding paragraph and any excess shall be paid by the Agent to the Lessee so long as the Agent has no actual knowledge of a Default. If such balance is not sufficient to pay such fees and expenses, the Owners will pay any deficiency.

The Owners will pay to the Agent such amounts as will enable the Agent to pay to each Permanent Investor (a) on the Repayment Date (or as promptly thereafter as practicable) an amount equal to interest on the Surplus Deposit, if any, to be repaid to such Permanent Investor pursuant to the immediately preceding paragraph on said date for the period from the Deposit Date to the date of such payment (less any amounts in respect thereof theretofore paid pursuant to clause (b) of this paragraph) calculated at the Debt Rate, and (b) on December 31, 1982, such amount, if any, as, when added to the interest received by the Agent under the CSA on such date, will enable the Agent to pay to each Permanent Investor an amount equal to interest at the Debt Rate on the unrepaid investment of such Permanent Investor from the Deposit Date to, but not including, December 31, 1982, and (c) on July 2, 1983, such amount, if any, as, when added to the interest received by the Agent under the CSA on such date, will enable the Agent to pay to each Permanent Investor an amount equal to interest at the Debt Rate on the unrepaid investment of such Permanent Investor from December 31, 1982, to, but not including July 2, 1983.

10. The Agent will accept payments made to it by or for the account of the Trustee pursuant to the CSA and the CSA Assignment on account of the principal of or accrued interest on the CSA Indebtedness and will apply such payments promptly first, to the pro rata payment to each Permanent Investor of interest payable on the CSA Indebtedness, and second, to the pro rata payment to each Permanent Investor of the installments of CSA Indebtedness in the order of maturity thereof until the same shall have been paid in full.

The Agent will accept all sums paid to it pursuant to Article 7 of the CSA with respect to Casualty Occurrences (as therein defined) and will apply such sums to the prepayment of each of the installments of the CSA Indebtedness remaining unpaid (in proportion to the principal amount of CSA Indebtedness represented by each such installment), without premium, together with interest accrued and unpaid on such prepaid CSA Indebtedness and will distribute such prepayment and interest pro rata thereon to each Permanent

Investor. The Agent will furnish to each Permanent Investor a revised schedule of payments showing the reduction in the installments of the CSA Indebtedness remaining unpaid and the interest payable thereon.

Notwithstanding anything to the contrary contained herein, if a Declaration of Default (as defined in paragraph 16.1 of the CSA) is in effect, all moneys held by or coming into the possession of the Agent under the CSA, the CSA Assignment, the Lease or the Lease Assignment applicable to the payment or prepayment of CSA Indebtedness or interest thereon (including, without limitation, the net proceeds of any repossession and sale or lease of any unit of the Equipment after deduction of all expenses, including reasonable counsel fees, incurred by the Agent in connection with such repossession and sale or lease or otherwise hereunder in connection with the CSA and the CSA Assignment which shall not theretofore have been reimbursed to the Agent by the Trustee pursuant to the CSA) shall be distributed immediately by the Agent to the Permanent Investors; and the Agent shall otherwise take such action as is referred to in this Paragraph 10.

All payments to be made by the Agent hereunder shall (subject to timely receipt by the Agent of available funds) be made by check mailed to the Investor or the Permanent Investors on the date such payment is due or, upon written request of such Investor or the Permanent Investors or if specified in Appendix I hereto, by bank wire of immediately available funds to such Investor or the Permanent Investors at such address as may be specified to the Agent in writing or in Appendix I hereto. Subject to the timely receipt by the Trustee of available funds, the Trustee will make each payment required to be made by it to the Agent hereunder in immediately available funds at or prior to 11 a.m. in the city in which such payment is to be made.

So long as, to the actual knowledge of the Agent, no Default shall have occurred and be continuing, the Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights or taking or refraining from taking any action which may be vested in it, or which it may be entitled to assert or take, hereunder or under the CSA, the CSA Assignment, the Lease or the Lease Assignment except as otherwise specifically provided herein. The Agent shall not incur any liability hereunder or otherwise in acting upon any notice, certificate or other paper or instrument believed by it to be

genuine and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the exercise of its best judgment, or which may seem to it to be necessary or desirable in the premises, except liability resulting from its own misconduct or negligence. In case the Agent shall have actual knowledge of the occurrence of a Default it shall promptly notify the Trustee, each Owner, the Lessee and each Permanent Investor thereof. The Agent shall take such action and assert such rights under the CSA and the Lease as shall be agreed upon by the holders of interests totaling more than 66-2/3% of the aggregate CSA Indebtedness then outstanding. In case the Agent is required to take action hereunder, it shall be indemnified against any liability or expense, including reasonable counsel fees, in connection with taking such action or asserting such rights by such holders in proportion to their respective interests in the aggregate CSA Indebtedness then outstanding.

The Agent may consult with legal counsel of its own choice and shall not be under any liability for any action taken or suffered in good faith by it in accordance with the opinion of such counsel.

The Agent will promptly mail or deliver one counterpart or copy of all notices, statements, documents or schedules received by it from the Trustee or the Lessee pursuant to this Agreement, the CSA, the CSA Assignment, the Lease or the Lease Agreement to the Permanent Investors.

All notices, instructions, directions and approvals to be delivered hereunder to the Agent by the Investor or any Permanent Investor shall be in writing signed by an authorized employee of the Investor or such Permanent Investor, and the Agent may rely on any notice, instruction, direction or approval so signed.

The Agent does not make any representation or assume any responsibility with respect to (i) the validity of the CSA, the CSA Assignment, the Lease, the Lease Assignment or any certificate of interest (except with respect to its own execution thereof) or any of the matters covered thereby or (ii) the value of or the title to the Equipment.

In the event of any dispute with respect to the delivery or ownership or right to possession of funds or documents at any time held by the Agent hereunder, or with respect to title to any unit of the Equipment, the Agent is

hereby authorized and directed to retain, without liability to anyone, all or any of such funds or documents and title to such unit of the Equipment until such dispute shall have been settled either by agreement of the Permanent Investors or by final order, decree or judgment of a court of competent jurisdiction. During any such dispute, the Agent will invest any funds held by it subject to the dispute in such investments as shall be specified by the holders of interests totaling more than 50% of the aggregate CSA Indebtedness then outstanding.

The Agent shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Permanent Investors that it desires to terminate such duties and responsibilities on a date (at least 30 days subsequent to the giving of such notice) stated in said notice, it being understood and agreed that the Agent shall also give such notice if it is directed to do so by the holders of interests totaling more than 50% of the aggregate CSA Indebtedness then outstanding. If, prior to the date stated in said notice, the holders of interests totaling more than 50% of the CSA Indebtedness then outstanding shall have requested in writing that the Agent assign to a person or institution designated by such holders all right, title and interest of the Agent under the CSA and the CSA Assignment and in and to the Equipment and the Lease, the Agent shall comply with such request. In the event that such request is not received by the Agent on or before the date designated in said notice, the Agent shall be entitled to appoint a successor to act hereunder (which successor shall be a bank or trust company located in the Borough of Manhattan, City and State of New York, Chicago, Illinois, or Baltimore, Maryland, having capital and surplus aggregating at least \$50,000,000) and to assign to such successor, subject to the provisions of this Agreement, all such right, title and interest of the Agent. Upon such assignment by the Agent to a person or institution designated by the Permanent Investors or, in the absence of such designation, to a successor appointed by the Agent, the Agent shall thereupon be relieved of all duties and responsibilities hereunder.

11. The Lessee will deliver or cause to be delivered (A) to the Trustee, the Agent, each Owner and each Permanent Investor, as soon as available and in any event within 120 days after the end of each fiscal year, a certificate signed by any Vice President, the Treasurer or any Assistant Treasurer of the Lessee stating that he

has reviewed the activities of the Lessee during such year and that, to the best of his knowledge, the Lessee during such year has kept, observed, performed and fulfilled each and every covenant, obligation and condition contained herein and in the Lease, or if an Event of Default (as defined in the Lease) shall exist or if an event has occurred and is continuing which, with the giving of notice or the passage of time or both, would constitute an Event of Default, specifying such Event of Default and all such events and the nature and status thereof, (B) to each Owner and each Permanent Investor, (i) as soon as available, and in any event within 60 days after the end of the first, second and third quarterly accounting periods in each fiscal year of the Lessee, copies of the balance sheet of the Lessee as of the end of such accounting period and copies of the related statements of income and retained earnings of the Lessee for the portion of its fiscal year ended with the last of such quarterly accounting period, all in reasonable detail, certified by any Vice President or the Treasurer of the Lessee, as appropriate, and stating in comparative form the figures for the corresponding date and period in the previous fiscal year; (ii) as soon as available, and in any event within 120 days after the end of each fiscal year, copies of the balance sheet of the Lessee as at the end of such fiscal year, and of the statements of income and retained earnings of the Lessee for such fiscal year, all in reasonable detail and stating in comparative form the consolidated figures as of the end of and for the previous fiscal year, certified by a firm of nationally recognized independent certified public accountants selected by the Lessee, and (iii) as soon as available, a copy of each Annual Report to the Securities and Exchange Commission which is required to be filed by the Lessee or Burlington Northern Inc. and of each prospectus issued in connection with a public offering of securities of the Lessee or Burlington Northern Inc. and (C) to the Owners copies of all documents which the Lessee is required to deliver to the Agent or the Trustee under the Lessee Documents. If requested by an Owner, the Lessee will deliver to such Owner copies of the quarterly and annual financial reports filed by the Lessee with the Interstate Commerce Commission.

12. The Owners shall cause the Trustee to pay, or to cause to be paid, (i) the reasonable fees and disbursements of Messrs. Cravath, Swaine & Moore as special counsel for the Agent, the Permanent Investors and the Investor and the cost of producing and reproducing the Participation Agreement, this amendment and restatement thereof, the Lease, the Trust Agreement, the CSA, the CSA

Assignment, the Lease Assignment, the Consent and the Indemnity Agreement, (ii) the fee payable to the placing agent in connection with the placement of the CSA Indebtedness with the Permanent Investors, (iii) the reasonable fees and disbursements of Messrs. Sullivan & Cromwell and Messrs. Isham, Lincoln & Beale, counsel to the Owners, (iv) the reasonable routine and ordinary fees, costs and disbursements of the Agent and the Trustee except those subsequent to any termination of the Lease by the Agent or attributable to periods during a continuance of a Declaration of Default under Article 16 of the CSA (which shall be paid by the Lessee) and (v) the cost of obtaining the opinion of the independent expert appraiser furnished in connection with the first delivery of Equipment under the CSA. The Lessee shall bear (a) the costs of filing, recording and giving public notice or publication as to such filing and recording of this Agreement, the Lease, the CSA, the CSA Assignment and the Lease Assignment and any amendments or supplements thereto with the Interstate Commerce Commission and with the Registrar General of Canada, as contemplated by Paragraph 3(f) hereof, and (b) the costs of producing and reproducing any such amendments or supplements and the reasonable fees and disbursements of Messrs. Cravath, Swaine & Moore in connection therewith. The Permanent Investors, the Investor and the Agent shall have no liability for any of the aforesaid fees, costs, disbursements and expenses or for any other expenses. If the transaction contemplated hereby shall not be consummated through no fault of the Owners, the Lessee shall pay the fees, disbursements and expenses referred to above as payable by the Owners.

13. All documents deliverable hereunder to the Agent shall be delivered to it at its address at P.O. Box 2258 (or if by hand, 2 Hopkins Plaza), Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents, notices and funds deliverable hereunder to the Trustee shall be delivered to it at its address at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department, or as the Trustee may otherwise specify, with copies to each of the Owners at their addresses set forth in Appendix II hereto.

All documents and funds deliverable hereunder to the Investor shall be delivered to its address set forth in Appendix I hereto, or as the Investor may otherwise specify.

All documents and funds deliverable to any Permanent Investor shall be delivered to its address set forth in Appendix I hereto, or as such Permanent Investor may otherwise specify.

All documents deliverable hereunder to Messrs. Cravath, Swaine & Moore shall be delivered to them at One Chase Manhattan Plaza, New York, New York 10005.

14. In the event that the Trustee or the Lessee shall have knowledge of a Default, such party shall give prompt telephonic notice (confirmed in writing) thereof to the Agent, each Permanent Investor and each Owner. In the case of the Trustee, knowledge shall mean actual knowledge of an officer or employee in its Corporate Trust Department.

15. So long as no Event of Default shall have occurred and be continuing under the Lease, at least two business days prior to December 31, 1982, July 2, 1983, and each July 2 thereafter, to and including July 2, 1998 (such dates at least two business days prior to each such date being hereinafter referred to as "Funding Dates"), General Electric Credit Corporation ("GECC") and Connell Leasing Company ("Connell"), a division of Connell Rice & Sugar Co., Inc., shall each wire funds to the Trustee in an amount equal to 80% in the case of GECC, and 20% in the case of Connell, of the interest due under the CSA on the next following Interest Payment Date (as defined in paragraph 4.4 of the CSA). Upon receipt of such funds, the Trustee shall promptly give notice of such receipt to the Agent by telephone, and the Trustee shall cause such funds so received to be advanced to the Agent in immediately available funds on the Interest Payment Date next following such Funding Date. If the Agent shall fail to receive such notice from the Trustee on such Funding Date or shall fail to receive such funds on such Interest Payment Date, the Agent will forthwith give notice to such effect to the Lessee, GECC and Connell by telephone, confirmed promptly by telegraph; provided, however, that the failure of the Agent to so notify the Lessee, GECC or Connell shall not affect the obligations of the Lessee under the Lease or the Trustee under the CSA; and provided, further, however, that the agreement of GECC and Connell to wire such funds is made solely for the benefit of the Lessee, and neither the Agent nor any Permanent Investor shall have any recourse against GECC or Connell by virtue of the failure of GECC or Connell to wire such funds. In the event of such failure, then the Lessee shall make the additional rental payment due from the

Lessee under § 3.1(5) of the Lease to the extent required by such failure.

To the extent of funds received, the Agent will apply the same to the payment of interest on the CSA Indebtedness on the Interest Payment Date.

In the event that the Lessee shall be required to make any such payment:

(a) the Lessee shall be entitled to an offset against the next rental payment due under the Lease (to the extent such payment is not required to discharge the principal and interest on the CSA Indebtedness) as provided in § 3.1(5) of the Lease; and

(b) if after effecting such offset there remains any amount owing to the Lessee, the Lessee may demand repayment thereof from each nonfunding Owner, and each nonfunding Owner shall repay its proportionate share of such amount to the Lessee within 15 days of such demand, together with interest thereon at the applicable interest rate on the CSA Indebtedness plus 1%.

All payments required to be made to the Agent hereunder shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5 with advice that the payment is "Re: BN 4/1/82".

16. Anything herein to the contrary notwithstanding, each and all of the representations, warranties and agreements herein made on the part of the financial institution acting as Trustee (except its representations and warranties under Paragraph 6 hereof but not as to the enforceability of any document other than the Trust Agreement) are each and every one of them made and intended not as personal representations, warranties and agreements by said financial institution in its individual capacity 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 Agreement is executed and delivered by the Trustee solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution (except as aforesaid) on account of any

representation, warranty or agreement hereunder of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and each Permanent Investor and by all persons claiming by, through or under the Lessee, the Agent and each Permanent Investor; provided, however, that the Lessee, the Agent and each Permanent Investor or any person claiming by, through or under any of them, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

17. Anything herein or in the Participation Documents to the contrary notwithstanding, as an inducement to the Permanent Investors to participate in the transaction contemplated hereby, Connell unconditionally agrees that if there is any default in the payment of the CSA Indebtedness or any interest thereon and, as a result thereof, the Agent makes a Declaration of Default (as defined in Paragraph 16.1 of the CSA), Connell will pay to the Agent, on account of such CSA Indebtedness or interest, an amount equal to 20% of the aggregate amount of CSA Indebtedness and interest thereon at the time in default, any such payment to be made by Connell to the Agent promptly upon receipt of written notice from the Agent to Connell of the amount payable; provided, however, that prior to the delivery of such notice the Agent shall have pursued all remedies reasonably available to it under the CSA and the Lease Assignment.

18. The terms of this Agreement and all rights and obligations of the parties hereto hereunder shall be governed by the laws of the State of New York. Such terms, rights and obligations may not be changed orally but may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought.

19. Each Owner severally agrees, for the benefit of the Permanent Investors, to take all necessary action, including without limitation, payment of funds, to enable the Trustee to discharge pursuant to the proviso in paragraph 13.3 of the CSA the claims, liens, charges or security interests referred to in said paragraph claimed by any party from, through or under such Owner.

20. The Trustee and the Agent, as assignee of the Builder, agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to

Paragraph 2 hereof, the CSA shall be amended as follows:

(a) In Section 1.1, the percentage which appears in the second line shall apply to Equipment settled for prior to September 23, 1982, but for Equipment settled for on September 23, 1982, and thereafter the applicable percentage shall be 42.15845684%.

(b) Clause (a) of Section 4.3 thereof is deleted and the following is substituted therefor:

"(a) on each Closing Date with respect to each Group occurring prior to September 23, 1982, an amount equal to 41.8087882% of the aggregate Purchase Price of the units of Equipment in such Group (the units of Equipment included in each such Group being hereinafter called the "Pre 9/23/82 Equipment") and on each Closing Date with respect to each Group occurring on and after September 23, 1982, an amount equal to 42.15845684% of the aggregate Purchase Price of the units of Equipment in such Group (the units of Equipment included in each such Group being hereinafter called the "Post 9/23/82 Equipment"); and"

(c) The second and third sentences of Section 4.4 thereof are deleted and the following sentences are substituted therefor:

"The unpaid balance of the CSA Indebtedness shall bear interest from the later of the Deposit Date (as defined in the Participation Agreement) or the Closing Date in respect of which such indebtedness was incurred at 15-1/2% per annum ("Debt Rate"). Interest on the unpaid balance of the CSA Indebtedness shall be payable on December 31, 1982 and thereafter on January 2 and July 2 in each year, commencing July 2, 1983, to and including January 2, 1999 (each such date being hereinafter called an "Interest Payment Date")."

(d) The words ", Paragraph 20 of the Participation Agreement" in line 5 of Section 4.7 thereof are deleted.

(e) The last sentence of Section 7.4 is deleted

and the following sentence is substituted therefor:

"For the purpose of this paragraph, each payment of the Purchase Price made pursuant to Article 4 hereof in respect of Pre 9/23/82 Equipment and Post 9/23/82 Equipment shall be deemed to be a payment with respect to each unit of Pre 9/23/82 Equipment or Post 9/23/82 Equipment, as the case may be, in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of all Pre 9/23/82 Equipment or Post 9/23/82 Equipment, as the case may be."

(f) Schedule I to the CSA is hereby deleted in its entirety and the revised schedule set forth in Appendix IV hereto is substituted therefor.

21. The parties to the Lease agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to Paragraph 2 hereof, the Lease shall be amended as follows:

(a) Paragraph (3) of § 3.1 of the Lease is deleted and the following is substituted therefor:

"(3) The basic lease rates set forth in Appendix B-1 hereto have been calculated on the assumption that the Units will have been settled for on the dates and in the amounts as follows:

<u>Assumed Settlement Date</u>	<u>Assumed Settlement Amount</u>
7/09/82	\$ 15,839,703
7/30/82	8,345,170
8/26/82	5,841,619
9/23/82	11,310,000
10/15/82	3,520,000
	<u>\$44,856,492</u>

If for any reason any Units are settled for other than on the Assumed Settlement Dates and in the Assumed Settlement Amounts set forth above, then such basic lease rates (and the related Casualty Values set forth in Appendix C hereto) payable by the Lessee hereunder in respect of the Units on and after January 2, 1984 (or on or after December 31, 1982, as to Casualty Values) shall be

increased or decreased, as the case may be, by such amount as shall, in the reasonable opinion of the Owners, cause the Owners' Net Economic Return to equal the Net Economic Return that would have been realized by the Owners if all Units had been settled for on the Assumed Settlement Dates in the Assumed Settlement Amounts. Such basic lease rates have also been calculated on the assumptions that (i) the amount of accrued interest payable to the Investor on September 23, 1982, will be 0.97368521% of the aggregate Purchase Price of the Units (calculated at 15% per annum), (ii) the amount of accrued interest payable to permanent investors on December 31, 1982, will be 2.44156219% of the aggregate Purchase Price of the Units, (iii) the amount of accrued interest payable to permanent investors on July 2, 1983, will be 4.55086916% of the aggregate Purchase Price of the Units, (iv) there will be no Investment Deficiency as defined in the fourth paragraph of Paragraph 2 of the Participation Agreement, (v) there will be no Surplus Deposit nor any interest payable thereon pursuant to clause (a) of the last paragraph of Paragraph 9 of the Participation Agreement, (vi) there will be no interest payable by the Owners on December 31, 1982, or on July 2, 1983, pursuant to clause (b) or (c) of the last paragraph of Paragraph 9 of the Participation Agreement, (vii) the Owners will furnish 42.15845684% of the aggregate Purchase Price of the Units settled for on and after September 23, 1982, and (viii) the amount of the fees and expenses payable by the Owners pursuant to Paragraph 12 of the Participation Agreement will be 0.50% of the aggregate Purchase Price of the Units. If for any reason these assumptions prove to be incorrect, then such basic lease rates (and the related Casualty Values set forth in Appendix C hereto) payable by the Lessee hereunder in respect of the Units on and after January 2, 1984 (or on and after December 31, 1982, as to Casualty Values), shall be increased or decreased, as the case may be, by such amount as shall, in the reasonable opinion of the Owners, cause the Owners' Net Economic Return to at least equal the Net Economic Return that would have been realized by the Owners if such assumptions had proved to be correct. The Lessor shall provide a schedule of such rentals and Casualty Values to the Lessee and

the Vendor promptly after the facts have been determined and the calculations have been made."

(b) § 3.1(5) is amended to read as follows:

"(5) If and to the extent that the Vendor shall not receive pursuant to the last paragraph of Paragraph 9 of the Participation Agreement, the amounts due under such paragraph on the date or dates due, the Lessee agrees to pay to the Lessor as additional rentals an amount equal to such payments on such date or dates due. If and to the extent that the Vendor shall not, pursuant to Paragraph 15 of the Participation Agreement, receive the funds due thereunder on December 31, 1982, and on each July 2 thereafter to and including July 2, 1998, the Lessee agrees to pay to the Lessor as additional rental for each Schedule A Unit and Schedule B Unit subject to this Lease, on each such date an amount equal to the applicable basic lease rate therefor set forth in Appendix B-2 hereto for such date multiplied by the Purchase Price of each such Unit. The Lessee shall be entitled to an offset against the next rental payment date hereunder during the original term and any extended term of this Lease (to the extent such payment is not required to discharge the principal and interest on the CSA Indebtedness) of an amount equal to the amounts so paid by the Lessee pursuant to the next two preceding sentences. Such offset shall be calculated so that the net present value (at a discount rate of 13% per annum paid semiannually) of the rental actually paid by the Lessee, in the reasonable opinion of the Lessee, will be same as if the payments required by Paragraph 9 and Paragraph 15 of the Participation Agreement had been made when due."

(c) In clause (ii) of § 7.5(b), the percentage which appears shall apply to Units settled for prior to September 23, 1982, but for Units settled for on September 23, 1982, and thereafter the applicable percentage shall be 1.39999%.

(d) Appendices B-1, B-2 and C to the Lease are hereby deleted in their entirety and the revised Appendices B-1, B-2 and C as set forth in Appendices V, VI and VII hereto, respectively, are substituted therefor.

22. The parties to the Trust Agreement agree that, subject to the payment by the Permanent Investors of the amounts to be paid by them pursuant to Paragraph 2 hereof, the Trust Agreement shall be amended as follows: the percentage which appears twice in the first paragraph of Section 1.04 shall apply to Units settled for prior to September 23, 1982, but for Equipment settled for on September 23, 1982, and thereafter the applicable percentage shall be 42.15845684%.

23. The parties to the Indemnity Agreement agree that, subject to the payment by the Permanent Investors of the amounts to be paid to them pursuant to Paragraph 2 hereof, the Indemnity Agreement shall be amended as follows:

(a) the percentage which appears in Recital B shall apply to the Units settled for prior to September 23, 1982, and for the Units settled for on September 23, 1982, and thereafter the applicable percentage shall be 42.15845684%; and

(b) in Recital C the reference to the institutional investor shall refer to the Permanent Investors.

24. Except as amended hereby, the CSA, the Lease, the Trust Agreement and the Indemnity Agreement shall remain in full force and effect.

25. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as all counterparts shall be signed by the Agent; and the Trustee, each Owner, the Lessee, each Permanent Investor and the Investor shall sign a counterpart which shall be effective upon delivery thereof to Messrs. Cravath, Swaine & Moore, at their offices in New York, New York.

IN WITNESS WHEREOF, the parties hereto have caused

this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

[Corporate Seal]

Attest:

by

Assistant Secretary

BURLINGTON NORTHERN RAILROAD
COMPANY,

by

Vice President

[Corporate Seal]

Agent:

by



Assistant Corporate
Trust Officer

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent as
aforesaid,

by



Assistant Vice President

[Corporate Seal]

ATTEST:

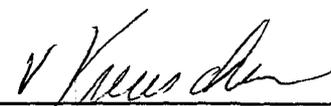
by



Authorized Signature

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee as afore-
said,

by



Authorized Officer

~~GENERAL ELECTRIC CREDIT
CORPORATION,~~

~~by~~

~~_____
Vice President~~

~~CONNELL LEASING COMPANY,
(a division of Connell Rice
& Sugar Co., Inc.),~~

~~by~~

~~_____
President~~

CONNELL FINANCE COMPANY, INC.,

by

President

PUBLIC EMPLOYEES RETIREMENT
SYSTEM OF OHIO,

by

Title:

STATE OF WISCONSIN INVESTMENT
BOARD,

by

Title:

STATE FARM LIFE INSURANCE
COMPANY,

by

Title:

BANKERS LIFE INSURANCE COMPANY
OF NEBRASKA,

by

Title:

STATE OF MONTANA BOARD OF
INVESTMENTS,

by

Title:

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

On this day of September 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the of BURLINGTON NORTHERN RAILROAD 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.

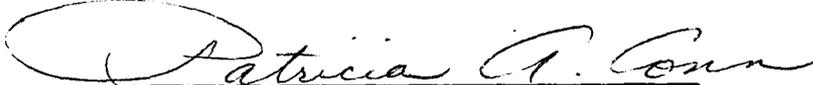
Notary Public

[Notarial Seal]

My Commission expires

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

On this ^{16th} day of September 1982, before me personally appeared R. E. Schreiber, 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 ⁷⁻¹⁻⁸⁶

Investor

CONNELL FINANCE COMPANY, INC.
45 Cardinal Drive
Westfield, New Jersey 07092

Attention of Grover Connell, President

All payments to be made
by wire transfer to
Citibank, N.A.,
399 Park Avenue, New
York, New York 10022,
Attention of Robert
Kiley, Vice President,
for credit to the
account of Connell Rice
& Sugar, Inc., Account
No. 30481714, tele-
phonic advice to
Connell Finance Co.,
Inc.

Permanent Investors

<u>Name and Address</u>	<u>Minimum Deposit*</u>	<u>Maximum Commitment*</u>
PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO 277 East Town Street Columbus, Ohio 43215	\$10,000,000	\$10,500,000

Attention of Investment
Department, Private
Placement

All payments are to be made
by wire transfer of
immediately available
funds to BancOhio National
Bank, Columbus, Ohio, for
credit to the account of
Public Employees Retirement
System of Ohio, Account No.
801-8-10273 with sufficient
information to identify the
source and application of

* In accordance with Paragraph 2 of this Agreement, the Lessee has the right to increase the Minimum Deposit of each Permanent Investor up to the amount set forth under the column Maximum Commitment opposite such Permanent Investor's name.

<u>Name and Address</u>	<u>Minimum Deposit*</u>	<u>Maximum Commitment*</u>
such funds. Notices should be mailed to the attention of the Accounting Department.		
STATE OF WISCONSIN INVESTMENT BOARD 244 W. Washington Avenue Madison, Wisconsin 53702	\$ 7,000,000	\$ 7,350,000
Attention of Private Placements		
Payments by wire transfer of immediately available funds to First Wisconsin National Bank of Milwaukee, Milwaukee, Wisconsin 53302, for credit to the account of the State Treasurer, with telephone advice by First Wisconsin to the State Investment Board with sufficient information to identify the source and application of such funds.		
STATE FARM LIFE INSURANCE COMPANY One State Farm Plaza Bloomington, Illinois 61701	5,400,000	5,670,000
Attention of Investment Department, Corporate Fixed Income		
All payments by bank wire transfer of immediately available funds to Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, 1980-2, Chicago, Illinois 60693, for credit to State Farm Life Insurance Company, Account No. 12-21499-5.		

<u>Minimum</u> <u>Name and Address</u>	<u>Maximum</u> <u>Deposit*</u>	<u>Commitment*</u>
<p>Copies of notices of payments should be mailed to the Permanent Investor, Attention of Investment Accounting Department. All other communications should be mailed to the home office address set forth above.</p>		
BANKERS LIFE INSURANCE COMPANY OF NEBRASKA 5900 O Street, Lincoln, Nebraska 68510 Attention of Financial Department Payments by bank wire transfer of immediately available funds to First National Bank & Trust Company, 13th and M Streets, Lincoln, Nebraska 68508, for credit to Bankers Life Insurance Company of Nebraska, Account No. 070-018 with instruction to the Bank to give telephonic confirmation to the Financial Department.	\$ 2,000,000	\$ 2,100,000
STATE OF MONTANA BOARD OF INVESTMENTS State Capitol Building (Room 236) Helena, Montana 59601 Attention of James R. Howeth, Esq.	1,000,000	1,050,000
Totals	<u>\$25,400,000</u>	<u>\$26,670,000</u>

Owners

General Electric Credit Corporation
P.O. Box 8300
Stamford, Connecticut 06904

Attention of Manager, Operations--Transportation
Financing Department,

with separate copy to the attention of each of:

Investment Officer--Rail Component; and
Contracts Administration--Rail Component

Connell Leasing Company,
A Division of Connell Rice & Sugar Co., Inc.,
45 Cardinal Drive
Westfield, New Jersey 07092

Attention of Grover Connell, President.

[CS&M Ref. 5415-005]

EXHIBIT C
to
Participation Agreement

Conditional Sale Agreement dated as of April 1, 1982, as amended (Secured by Lease Obligations of Burlington Northern Railroad Company) Interest Rate: 15-1/2%.

CERTIFICATE OF INTEREST

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
("Agent") hereby acknowledges receipt from

("Permanent Investor") of

(\$), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of an Amended and Restated Participation Agreement and Amendment dated as of September 1, 1982, ("Agreement"), among Burlington Northern Railroad Company ("Lessee"), the Agent, The Connecticut Bank and Trust Company, as Trustee ("Trustee"), under a Trust Agreement dated as of April 1, 1982, with the parties named in Appendix II to the Agreement ("Owners"), the Owners, the Investor named therein and the Permanent Investors named therein. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the CSA Indebtedness (as defined in the Conditional Sale Agreement hereinafter mentioned) and in and to (i) the Conditional Sale Agreement dated as of April 1, 1982, as amended by the Agreement ("CSA"), between the Trustee and General Electric Company ("Builder") and the railroad equipment covered by the CSA, (ii) the Agreement and Assignment dated as of April 1, 1982, between the Builder and the Agent, (iii) the right and security interest of the Agent in and to the Lease of Railroad Equipment dated as of April 1, 1982, as amended by the Agreement, between the Lessee and the Trustee, (iv) the Assignment of Lease and Agreement dated as of April 1, 1982, between the Trustee and the Agent and (v) all cash and other property from time to time held by the Agent under the Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence as defined therein) and the Agreement (i) such principal amount is payable in 16 annual installments on January 2 in each year commencing January 2, 1984, to and

including January 2, 1999, calculated as provided in the CSA, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on December 31, 1982, and thereafter on each January 2 and July 2 commencing on July 2, 1983, until such principal amount shall have been paid in full, at 15-1/2% per annum, (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 16-1/2% per annum. The Agent has furnished or promptly will furnish to the Permanent Investor a schedule of payments reflecting the dates and amounts of principal and interest payments to be made in respect of the interests of the Permanent Investor. All payments received by the Agent in accordance with the terms of the Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Agreement.

The interests of the Permanent Investor referred to in this Certificate of Interest may not be transferred except in the manner provided for in Paragraph 5 of the Agreement and subject to the terms, conditions and limitations provided therein.

Dated:

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent under
the Agreement,

by

Authorized Officer

INQUIRY SHOULD BE MADE TO THE AGENT IF CERTIFICATION
AS TO BALANCE DUE HEREUNDER IS REQUIRED.

Schedule I
to
CONDITIONAL SALE AGREEMENT

Amortization Schedule
of each \$10,000,000 15-1/2%
Conditional Sale Indebtedness

Schedule for Settlements Before September 23, 1982

Installment No.	Date Due	Debt Service	Interest Payment	Principal Recovery	Ending Principal	
(Interim)	December 31, 1982	\$ * \$	*	\$	-0-	\$10,000,000.00
1	July 2, 1983	783,611.11**	783,611.11**			
2	January 2, 1984	962,447.34	775,000.00	187,447.34	9,812,552.66	
3	July 2, 1984	760,472.83	760,472.83			
4	January 2, 1985	1,044,612.18	760,472.83	284,139.35	9,528,413.31	
5	July 2, 1985	738,452.03	738,452.03			
6	January 2, 1986	1,066,632.98	738,452.03	328,180.95	9,200,232.36	
7	July 2, 1986	713,018.01	713,018.01			
8	January 2, 1987	1,092,067.01	713,018.01	379,049.00	8,821,183.36	
9	July 2, 1987	683,641.71	683,641.71			
10	January 2, 1988	1,121,443.31	683,641.71	437,801.60	8,383,381.76	
11	July 2, 1988	649,712.09	649,712.09			
12	January 2, 1989	949,780.04	649,712.09	300,067.95	8,083,313.81	
13	July 2, 1989	626,456.82	626,456.82			
14	January 2, 1990	939,607.15	626,456.82	313,150.33	7,770,163.48	
15	July 2, 1990	602,187.67	602,187.67			
16	January 2, 1991	938,100.08	602,187.67	335,912.41	7,434,251.07	
17	July 2, 1991	576,154.46	576,154.46	572,553.44		
18	January 2, 1992	1,340,889.30	576,154.46	764,734.84	6,669,516.23	
19	July 2, 1992	516,887.51	516,887.51			
20	January 2, 1993	1,212,638.57	516,887.51	695,751.06	5,973,765.17	
21	July 2, 1993	462,966.80	462,966.80			
22	January 2, 1994	1,171,760.62	462,966.80	708,793.82	5,264,971.35	
23	July 2, 1994	408,035.28	408,035.28			
24	January 2, 1995	1,170,959.73	408,035.28	762,924.45	4,502,046.90	
25	July 2, 1995	348,908.63	348,908.63			
26	January 2, 1996	1,174,650.45	348,908.63	825,741.82	3,676,305.08	
27	July 2, 1996	284,913.64	284,913.64			
28	January 2, 1997	1,179,621.09	284,913.64	894,707.45	2,781,597.63	
29	July 2, 1997	215,573.82	215,573.82			
30	January 2, 1998	1,185,144.50	215,573.82	969,570.68	1,812,026.95	
31	July 2, 1998	140,432.09	140,432.09			
32	January 2, 1999	<u>1,952,459.04</u>	<u>140,432.09</u>	<u>1,812,026.95</u>	<u>-0-</u>	
		\$27,014,237.89	\$17,014,237.89	\$10,000,000.00	\$	-0-

* Interest only shall be payable to the extent accrued on this date.

** These amounts will be lower in respect of any CSA Indebtedness created after December 31, 1982.

Schedule I
to
CONDITIONAL SALE AGREEMENT

Amortization Schedule
of each \$10,000,000 15-1/2%
Conditional Sale Indebtedness

Schedule for Settlements On or After September 23, 1982

<u>Installment No.</u>	<u>Date Due</u>	<u>Debt Service</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Ending Principal</u>
(Interim)	December 31, 1982	\$ *	\$ *	-0-	\$10,000,000.00
1	July 2, 1983	783,611.11**	783,611.11**		
2	January 2, 1984	1,020,223.55	775,000.00	245,223.55	9,754,776.45
3	July 2, 1984	755,995.17	755,995.17		
4	January 2, 1985	1,039,228.37	755,995.17	283,233.20	9,471,543.25
5	July 2, 1985	734,044.60	734,044.60		
6	January 2, 1986	1,061,178.94	734,044.60	327,134.34	9,144,408.91
7	July 2, 1986	708,691.69	708,691.69		
8	January 2, 1987	1,086,531.86	708,691.69	377,840.17	8,766,568.74
9	July 2, 1987	679,409.08	679,409.08		
10	January 2, 1988	1,115,814.47	679,409.08	436,405.39	8,330,163.35
11	July 2, 1988	645,587.66	645,587.66		
12	January 2, 1989	943,756.43	645,587.66	298,168.77	8,031,994.58
13	July 2, 1989	622,479.58	622,479.58		
14	January 2, 1990	933,374.22	622,479.58	310,894.64	7,721,099.94
15	July 2, 1990	598,385.25	598,385.25		
16	January 2, 1991	931,698.82	598,385.25	333,313.57	7,387,786.37
17	July 2, 1991	572,553.44	572,553.44		
18	January 2, 1992	1,332,146.36	572,553.44	759,592.92	6,628,193.45
19	July 2, 1992	513,684.99	513,684.99		
20	January 2, 1993	1,203,730.96	513,684.99	690,045.97	5,938,147.48
21	July 2, 1993	460,206.43	460,206.43		
22	January 2, 1994	1,162,445.46	460,206.43	702,239.03	5,235,908.45
23	July 2, 1994	405,782.90	405,782.90		
24	January 2, 1995	1,161,294.11	405,782.90	755,511.21	4,480,397.24
25	July 2, 1995	347,230.79	347,230.79		
26	January 2, 1996	1,164,634.22	347,230.79	817,403.43	3,662,993.81
27	July 2, 1996	283,882.02	283,882.02		
28	January 2, 1997	1,169,232.89	283,882.02	885,350.87	2,777,642.94
29	July 2, 1997	215,267.33	215,267.33		
30	January 2, 1998	1,174,352.87	215,267.33	959,085.54	1,818,557.40
31	July 2, 1998	140,938.20	140,938.20		
32	January 2, 1999	1,959,495.60	140,938.20	1,818,557.40	-0-
		\$26,926,889.37	\$16,926,889.37	\$10,000,000.00	\$ -0-

* Interest only shall be payable to the extent accrued on this date.

** These amounts will be lower in respect of any CSA Indebtedness created after December 31, 1982.

APPENDIX B-1 TO LEASE

Basic Lease Rates for Schedule A Units

<u>Date</u>	<u>For Units Settled For Before September 23, 1982 Percentage of Purchase Price*</u>	<u>For Units Settled For On or After September 23, 1982 Percentage of Purchase Price*</u>
1/2/84	10.51812659%	10.38385003%
1/2/85	10.51812659%	10.38385003%
1/2/86	10.51812659%	10.38385003%
1/2/87	10.51812659%	10.38385003%
1/2/88	10.51812659%	10.38385003%
1/2/89	10.51812659%	10.38385003%
1/2/90	10.51812659%	10.38385003%
1/2/91	10.51812659%	10.38385003%
1/2/92	12.85548808%	12.69137229%
1/2/93	12.85548808%	12.69137229%
1/2/94	12.85548808%	12.69137229%
1/2/95	12.85548808%	12.69137229%
1/2/96	12.85548808%	12.69137229%
1/2/97	12.85548808%	12.69137229%
1/2/98	12.85548808%	12.69137229%
1/2/99	12.85548808%	12.69137229%

* As defined in paragraph 4.1 of the CSA.

APPENDIX B-2 TO LEASE

Contingent Lease Rates for Schedule A Units

<u>Date</u>	<u>For Units Settled For Before September 23, 1982 Percentage of Purchase Price*</u>	<u>For Units Settled For On or After September 23, 1982 Percentage of Purchase Price*</u>
12/31/82	**	**
7/2/83	4.55992801%***	4.53252758%***
7/2/84	4.42528355%	4.37279279%
7/2/85	4.29714187%	4.24582724%
7/2/86	4.14913820%	4.09918213%
7/2/87	3.97819396%	3.92980695%
7/2/88	3.78075338%	3.73417862%
7/2/89	3.64542814%	3.60051794%
7/2/90	3.50420302%	3.46115260%
7/2/91	3.35271260%	3.31173749%
7/2/92	3.00783105%	2.97143554%
7/2/93	2.69405993%	2.66190499%
7/2/94	2.37440674%	2.34711092%
7/2/95	2.03034164%	2.00843648%
7/2/96	1.65794702%	1.64201740%
7/2/97	1.25445017%	1.24513945%
7/2/98	0.81719133%	0.81520829%

* As defined in paragraph 4.1 of the CSA. If only one Owner fails to transmit to the Vendor its funds due on any date specified below, the percentage set forth above opposite such date shall be reduced to the percentage obtained by multiplying the percentage set forth opposite such date by the percentage share of such Owner set forth in Section 1.04 of the Trust Agreement.

** Such percentage of Purchase Price as shall be equal to the interest payable to the Permanent Investors on December 31, 1982.

*** This figure will be lower in respect of any CSA Indebtedness created after December 31, 1982.

APPENDIX C TO LEASE

Casualty Values for Schedule A Units

<u>Casualty Payment Date</u>	<u>Settlements Prior To September 23, 1982 Percentage of Purchase Price</u>	<u>Settlements On or After September 23, 1982 Percentage of Purchase Price</u>
January 2, 1983	96.10%	93.55%
July 2, 1983	104.41%	102.06%
January 2, 1984	99.67%	97.67%
July 2, 1984	107.54%	105.69%
January 2, 1985	101.72%	100.14%
July 2, 1985	109.01%	107.53%
January 2, 1986	102.08%	100.78%
July 2, 1986	108.71%	107.44%
January 2, 1987	100.61%	99.43%
July 2, 1987	106.57%	105.36%
January 2, 1988	98.40%	97.25%
July 2, 1988	104.01%	102.83%
January 2, 1989	95.91%	94.82%
July 2, 1989	101.16%	100.03%
January 2, 1990	92.99%	91.94%
July 2, 1990	98.04%	96.97%
January 2, 1991	89.79%	88.80%
July 2, 1991	94.64%	93.62%
January 2, 1992	83.96%	83.06%
July 2, 1992	88.40%	87.47%
January 2, 1993	77.55%	76.75%
July 2, 1993	81.57%	80.75%
January 2, 1994	70.54%	69.85%
July 2, 1994	74.13%	73.42%
January 2, 1995	62.92%	62.35%
July 2, 1995	66.02%	65.43%
January 2, 1996	54.61%	54.17%
July 2, 1996	57.19%	56.74%
January 2, 1997	45.56%	45.26%
July 2, 1997	47.58%	47.27%
January 2, 1998	32.73%	32.57%
July 2, 1998	34.14%	33.98%
January 2, 1999	20.00%	20.00%