

CRAVATH, SWAINE & MOORE

RECEIVED

ONE CHASE MANHATTAN PLAZA
NEW YORK, N. Y. 10005

212 HANOVER 2-3000

TELEX
RCA 233663
WUD 125547
WUI 620976

MAURICE T. MOORE
WILLIAM B. MARSHALL
RALPH L. McAFEE
ROYALL VICTOR
HENRY W. deKOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN
JAMES H. DUFFY
ALAN J. HRUSKA
JOHN E. YOUNG

JAMES M. EDWARDS
DAVID G. ORNSBY
DAVID L. SCHWARTZ
RICHARD J. HIEGEL
FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
THOMAS S. RIFKIND
DAVID BOIES
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL
DOUGLAS D. BROADBENT
ALAN C. STEPHENSON
RICHARD L. HOFFMAN
JOSEPH J. MULLINS
MAX R. SHULMAN

APR 2 1 32 PM '80
I.C.C.
FEE OPERATION DEPT.

11623

RECORDATION NO. Filed 1425
APR 2 - 1980 - 1 40 PM

11623-4
RECORDATION NO. Filed 1425
APR 2 - 1980 - 1 40 PM

INTERSTATE COMMERCE COMMISSION
No. 0-0922033

Date APR 2 1980
Fee \$ 100.00
ICC Washington, D. C.

11623
RECORDATION NO. Filed 1425
APR 2 - 1980 - 1 40 PM

ROSWELL L. GILPATRICK
L. R. BRESLIN, JR.
GEORGE B. TURNER
JOHN H. MORSE
HAROLD R. MEDINA, JR.
CHARLES R. LINTON
ALLEN H. MERRILL
4, PLACE DE LA CONCORDE
75008 PARIS, FRANCE
TELEPHONE: 265-81-54
TELEX: 290530
11, HROGMORTON STREET
LONDON, EC2N 2BR, ENGLAND
TELEPHONE 01-606-1421
TELEX: 8814901
CABLE ADDRESSES
CRAVATH, N. Y.
CRAVATH, PARIS
CRAVATH, LONDON E. C. 2

April 2, 1980

INTERSTATE COMMERCE COMMISSION

Morton-Norwich Products, Inc.
11.40% Equipment Trust Certificates Due January 15, 1998

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 Morton-Norwich Products, Inc., for filing and recordation counterparts of the following documents:

- (1) Equipment Trust Agreement dated as of February 1, 1980, between First Security Bank of Utah, N.A., as Trustee and First Security State Bank, as Owner-Trustee;
- (2) (a) Lease of Railroad Equipment dated as of February 1, 1980, between Morton-Norwich Products, Inc., and First Security State Bank, as Owner-Trustee; and
- (b) Assignment of Lease and Agreement dated as of February 1, 1980, between First Security State Bank, as Owner-Trustee, and First Security Bank of Utah, N.A., as Trustee.

The names and addresses of the parties to the

Handwritten signature/initials on the left margin.

aforementioned Agreements are as follows:

(1) Trustee:

First Security Bank of Utah, N.A.,
79 South Main Street,
Salt Lake City, Utah 84111.

(2) Owner-Trustee:

First Security State Bank,
79 South Main Street,
Salt Lake City, Utah 84111.

(3) Lessee:

Morton-Norwich Products, Inc.,
(Morton Salt Division),
110 North Wacker Drive,
Chicago, Illinois 60606.

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

The equipment covered by the aforementioned documents consists of the following:

100 100-ton, 3,500 cu. ft., 3 compartment covered hopper cars bearing identifying numbers of the Lessee MNPX 2001-MNPX 2100, both inclusive.

There is also enclosed a check for \$100 payable to the Interstate Commerce Commission, representing the fee for recording the Equipment Trust Agreement and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered

Interstate Commerce Commission
Washington, D.C. 20423

4/2/80

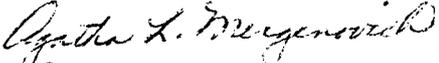
OFFICE OF THE SECRETARY

Edward F. Cox
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

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 4/2/80 at 1:40pm, and assigned re-
recording number(s). 11623, 11623-A & 11623-B

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

11623

RECORDATION NO. Filed 1425

APR

FEB 2 - 1980 - 1 40 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 5325-005]

EQUIPMENT TRUST

Morton-Norwich Products, Inc., Lease

EQUIPMENT TRUST AGREEMENT

between

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION,
Trustee

and

FIRST SECURITY STATE BANK,
Owner-Trustee

Dated as of February 1, 1980

11.40% Equipment Trust Certificates,
Due January 15, 1998,
secured by Morton-Norwich Products, Inc., Lease.

EQUIPMENT TRUST AGREEMENT dated as of February 1, 1980, between FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, as trustee (the "Trustee") and FIRST SECURITY STATE BANK, a Utah corporation (the "Owner-Trustee"), not in its individual capacity but solely as Owner-Trustee, except as otherwise specifically provided, under a Trust Agreement with Westinghouse Credit Corporation and Suburban Trust Company.

11.40% Equipment Trust Certificates, Due January 15, 1998, secured by Morton-Norwich Products, Inc., Lease, are to be issued and sold in an aggregate principal amount not exceeding U.S.\$4,094,250 and the proceeds of such sale are to be deposited in trust with the Trustee and are to constitute a fund to be known as "Equipment Trust, Morton-Norwich Products, Inc., Lease", to be applied by the Trustee in payment of a portion of the cost of the Trust Equipment (as hereinafter defined), the remainder of the cost thereof to be paid by the Owner-Trustee as provided herein.

A security interest in the Trust Equipment is to be vested in and is to be retained by the Trustee as security for the obligations of the Owner-Trustee hereunder until such obligations are performed.

The Owner-Trustee is entering into a Lease pursuant to which the Owner-Trustee will lease the Trust Equipment to the Lessee thereunder.

The Lease is being assigned by the Owner-Trustee to the Trustee as security for the obligations of the Owner-Trustee hereunder pursuant to a Lease Assignment.

The text of the Trust Certificates is to be substantially in the form annexed hereto as Schedule B.

It is desired to secure to the holders of the Trust Certificates the payment of the principal thereof with interest thereon, as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto

hereby agree as follows:

ARTICLE ONE

Definitions

SECTION 1.01. Definitions. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified.

Affiliate of any corporation shall mean any corporation which, directly or indirectly, controls or is controlled by, or is under common control with, such corporation. For the purposes of this definition, control (including controlled by and under common control with), as used with respect to any corporation, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities or by contract or otherwise.

Applicable Laws shall have the meaning ascribed to it in the Lease.

Assigned Equipment shall have the meaning ascribed to it in the Purchase Order Assignment.

BRAE shall mean Brae Corporation, a Delaware corporation.

Builder's Price shall have the meaning ascribed to it in the Purchase Order Assignment.

Business Day shall mean any calendar day, excluding Saturday, Sunday and legal holidays or days on which banking institutions are authorized by law to be closed in Chicago, Illinois, or Salt Lake City, Utah.

Casualty Occurrence shall have the meaning ascribed to it in the Lease.

Closing Date shall mean a Closing Date as defined in the Purchase Order Assignment.

Comdisco shall mean Comdisco Financial Services, Inc., a Delaware corporation.

Consent shall mean the Consent and Agreement dated as of the date hereof, executed by the Lessee, substantially in the form attached to the Lease Assignment.

Corporate Trust Office shall mean the principal office of the Trustee in the State of Utah, city of Salt Lake City, at which the corporate trust business of the Trustee shall, at the time in question, be administered, which office is, on the date of execution of this Agreement, located at 79 South Main Street, Salt Lake City, Utah 84111, Attention of Trust Division, Corporate Trust Department.

Deposited Cash shall mean the proceeds from the sale of the Trust Certificates deposited with the Trustee pursuant to Section 2.01.

Equipment shall mean the railroad rolling stock described in Schedule A hereto and any accession thereto title to which is in the Owner-Trustee pursuant to § 9 of the Lease.

Event of Default shall mean any event specified in Section 5.01 to be an Event of Default.

Futures Contract shall have the meaning ascribed to it in Section 3.01.

The word holder or holders, when used with respect to Trust Certificates, shall include the plural as well as the singular number and shall mean the person in whose name such Trust Certificate is registered.

Indemnified Matters shall have the meaning ascribed to it in the Lease.

Lease shall mean the Lease of Railroad Equipment dated as of the date hereof, between the Owner-Trustee and the Lessee, substantially in the form of Annex I hereto, as the same may be supplemented or amended as contemplated hereby or thereby.

Lessee shall mean Morton-Norwich Products, Inc., a Delaware corporation.

Lease Assignment shall mean the Assignment of Lease and Agreement dated as of the date hereof, between the

Owner-Trustee and the Trustee, substantially in the form of Annex II hereto.

Manufacturer shall mean Marine Industrie Limitee, a Canada corporation.

Officer's Certificate shall mean a certificate signed by the President, a Vice President or an authorized officer of the Morton Salt Division of the Lessee, the Manufacturer or the Owner-Trustee, as the case may be.

Opinion of Counsel shall mean an opinion in writing signed by legal counsel reasonably satisfactory to the Trustee and who may be counsel for the Lessee or the Owner-Trustee. The acceptance by the Trustee of, together with its action on, an Opinion of Counsel shall be sufficient evidence that such counsel is satisfactory to the Trustee.

Owners shall mean Westinghouse Credit Corporation and Suburban Trust Company and any respective successor or successors complying with the provisions of Section 6.01 of the Trust Agreement.

Owner-Trustee shall mean First Security State Bank, and any successor complying with the provisions of Section 7.01 of the Trust Agreement.

Participation Agreement shall mean the Participation Agreement dated as of the date hereof, among the Lessee, the Owners, the Owner-Trustee and the Purchaser.

Purchase Order Assignment shall mean the Purchase Order Assignment dated as of the date hereof, among Brae Corporation, the Owner-Trustee and the Manufacturer.

Purchaser shall mean the State of Wisconsin Investment Board.

The Purchase Price of a unit of Equipment shall mean the Purchase Price thereof as defined in the Participation Agreement.

Request shall mean a written request for the action therein specified, delivered to the Trustee, dated not more than 10 days prior to the date of delivery thereof

to the Trustee and signed on behalf of the Lessee, the Owner-Trustee or Comdisco by the President, a Vice President or an authorized officer of the Morton Salt Division of the Lessee or the Owner-Trustee or Comdisco, as the case may be.

Taxes shall have the meaning ascribed to it in the Lease.

Trust Agreement shall mean the Trust Agreement dated as of January 8, 1980, among the Owner-Trustee and the Owners.

Trust Certificates shall include the singular as well as the plural number and shall mean 11.40% Equipment Trust Certificates, Due January 15, 1998, issued hereunder.

Trust Estate shall have the meaning ascribed to it in the Trust Agreement.

Trust Equipment shall mean all Equipment subject to the terms of this Agreement.

Trustee shall mean First Security Bank of Utah, National Association, and, subject to the provisions of Article Eight, any successor as trustee hereunder.

The words herein, hereof, hereby, hereto, hereunder and words of similar import refer to this Agreement as a whole and not to any particular Article, Section, paragraph or subdivision hereof; and all references to numbered Articles, Sections, paragraphs and subdivisions, unless the context otherwise requires or unless the references thereto specify another agreement, refer to such Articles, Sections, paragraphs and subdivisions of this Agreement. Unless otherwise specifically stated, all amounts expressed in dollars shall mean United States of America dollars.

ARTICLE TWO

Trust Certificates and Issuance Thereof

SECTION 2.01. Issuance of Trust Certificates. On the Closing Date the Trustee shall issue and deliver Trust Certificates in such aggregate principal amounts as the Owner-

Trustee shall direct by Request, upon the deposit with the Trustee of an amount in cash equal to such aggregate principal amount of Trust Certificates to be issued and delivered. The aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee under this Section shall not exceed the sum of U.S.\$4,094,250, and the aggregate principal amount represented by all the Trust Certificates shall be payable as hereinafter set forth. Upon receiving notice with respect thereto pursuant to the Purchase Order Assignment, the Trustee shall promptly give notice of the Closing Date to the Purchaser as required by the Participation Agreement.

SECTION 2.02. Interests Represented by Trust Certificates; Interest; Maturity. Each of the Trust Certificates shall represent an interest in the amount therein specified in the Trust created hereunder.

Subject to the provisions of Sections 3.01 and 4.06 providing for the reduction of installments of principal due after prepayments, the Trust Certificates shall be payable as follows: interest only shall be payable on July 15, 1980; thereafter, principal and interest payments shall be made in 35 consecutive semiannual installments on January 15 and July 15 in each year commencing January 15, 1981, calculated so that the amount of principal and interest payable on each such date shall be substantially in proportion to the amount of principal and interest set forth in respect of such date in Schedule C hereto and such installments of the principal shall completely amortize the principal amount of the Trust Certificates. The Trustee shall furnish to each holder of Trust Certificates at the time of issuance thereof a schedule showing the payments of principal and interest to be made thereon.

Interest on the Trust Certificates shall be calculated on the basis of a 360-day year of 12 30-day months.

The principal of and interest on the Trust Certificates shall be payable at the Corporate Trust Office in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal and interest to be made on a

Trust Certificate not then to be paid in full, upon request and deposit of an agreement of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Owner-Trustee) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for notation thereon of the installments of principal amount represented thereby theretofore paid in whole or in part, the Trustee will mail its check on the date each such payment is due to such registered holder at his address shown on the registry books maintained by the Trustee; provided, however, that, in the case of the Purchaser, its undertaking contained in Paragraph 11 of the Participation Agreement shall constitute the agreement referred to above and the Trustee shall make payments of principal and interest to the Purchaser, and to any other purchaser approved by the Owner-Trustee, by wire transfer of immediately available funds (to the extent such funds are available to the Trustee under the Lease or otherwise) at a "home office" address which address in the case of the Purchaser shall be First Wisconsin National Bank of Milwaukee, Milwaukee, Wisconsin, for deposit to the account of the State Treasurer with telephone advice from the receiving bank to the Investment Board concerning receipt and source of funds and, in the case of a subsequent address of the Purchaser or any address of another holder of Trust Certificates, to such address as may be furnished to the Trustee in writing by the Purchaser or such other holder. Each payment of principal and interest made by check or wire transfer at the "home office" address of a holder of Trust Certificates shall be identified as: "Payment of principal of [and/or interest on] 11.40% Equipment Trust Certificates, Due January 15, 1998, Secured by Morton-Norwich Products, Inc., Lease."

SECTION 2.03. Forms of Trust Certificates. The Trust Certificates shall be in substantially the form annexed hereto as Schedule B.

SECTION 2.04. Execution by Trustee. The Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of an Authorized Officer of the Trustee and its seal or a facsimile thereof shall be affixed or imprinted thereon and attested by the manual signature of one of its Authorized Officers. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any of the Trust Certificates shall cease to be such officer of the Trustee before the Trust Certificates shall have been issued and delivered by the

Trustee or shall not have been acting in such capacity on the date of the Trust Certificates, such Trust Certificates may be adopted by the Trustee and be issued and delivered as though such person had not ceased to be or had then been such officer of the Trustee.

SECTION 2.05. Characteristics of Trust Certificates.

(a) The Trust Certificates shall be registered, as to both principal and interest, in the name of the holders; shall be transferable in whole or in part and exchangeable for Trust Certificates of other denominations of equal aggregate outstanding principal amount upon presentation and surrender thereof for registration of transfer or exchange at the Corporate Trust Office, accompanied, in the case of transfer, by appropriate instruments of assignment and transfer, duly executed by the registered holder of the surrendered Trust Certificate or Certificates or by its duly authorized attorney in fact, in form satisfactory to the Trustee; shall, in connection with the initial issuance of Trust Certificates, be dated as of the date of issue and shall, in connection with Trust Certificates issued in exchange for or upon registration of transfer of another Trust Certificate or Certificates, be dated as of the date to which interest has been paid or shall, if no interest has been paid thereon, be dated as of the date of initial issuance; and shall entitle the registered holder to interest from the date thereof.

(b) Anything contained herein to the contrary notwithstanding, prior to due presentment for registration of transfer the parties hereto may deem and treat the registered holder of any Trust Certificate as the absolute owner of such Trust Certificate for all purposes and shall not be affected by any notice to the contrary.

(c) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration and registration of transfer of the Trust Certificates and, upon presentation of the Trust Certificates for such purposes, the Trustee shall register any transfer as hereinabove provided, and under such reasonable regulations as it may prescribe.

(d) For any registration, registration of transfer or exchange, the Trustee shall require payment by the person requesting same of a sum sufficient to reimburse it for any governmental charge connected therewith.

(e) Each Trust Certificate delivered pursuant to

any provision of this Agreement in exchange for, or upon the registration of transfer of the whole or any part, as the case may be, of one or more other Trust Certificates shall carry all the rights to principal and to interest accrued and unpaid and to accrue, which were carried by the whole or such part, as the case may be, of such one or more other Trust Certificates, and, notwithstanding anything contained in this Agreement, such Trust Certificate shall be so dated that neither gain nor loss in interest or principal shall result from such exchange, substitution or registration of transfer.

(f) The Trustee shall not be required to issue, transfer or exchange Trust Certificates for a period of 10 days next preceding any interest payment date.

(g) The Trustee shall not transfer or exchange Trust Certificates if such transfer or exchange would be in violation of the Securities Act of 1933, as amended.

SECTION 2.06. Replacement of Lost Trust Certificates.

In case any Trust Certificate shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor and date, and bearing such identifying number or designation as the Trustee may determine, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed or stolen. The applicant for a new Trust Certificate pursuant to this Section shall furnish to the Trustee evidence to its satisfaction of the loss, destruction or theft of such Trust Certificate alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate, and also shall furnish such security or indemnity as may be required by the Trustee in its discretion (it being understood that a letter of indemnity from the Purchaser shall be deemed acceptable by the Trustee). All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE THREE

Acquisition of Trust Equipment by Trustee;
Deposited Cash

SECTION 3.01. Acquisition of Equipment by Trustee. The Owner-Trustee shall cause to be transferred to the Trustee, as trustee for the holders of the Trust Certificates, the Assigned Equipment described in Schedule A hereto, all of which will be new Equipment newly constructed. The Trustee hereby designates the Lessee to accept such Equipment on behalf of the Trustee.

Each unit of Assigned Equipment shall be settled for hereunder on the Closing Date. The Owner-Trustee and the Trustee intend that, in order to fix the obligations of the Purchaser and the Owners under the Participation Agreement with respect to the Builder's Price in United States dollars prior to the Closing Date, BRAE, upon and pursuant to a Request of the Lessee, will for the benefit of the Trustee enter into a contract or contracts (the "Futures Contract") providing for the delivery to the Trustee of Canadian dollars sufficient to pay the Canadian dollar portion of the Builder's Price to the Manufacturer on the Closing Date which funds will be applied by the Trustee for payment of the Builder's Price on the Closing Date. The Trustee shall incur no liability or risk of loss with respect to the Futures Contract nor shall the Owners, the Owner-Trustee nor the Purchaser bear any liability or loss with respect to the Futures Contract except to the extent such loss shall be due to its default in fulfilling its obligations hereunder or under the Participation Agreement.

In the event that after the Closing Date any Deposited Cash shall remain in the possession of the Trustee, the Trustee shall promptly apply any such Deposited Cash to the prepayment of Trust Certificates as follows: such prepayment shall be allocated by the Trustee to each outstanding Trust Certificate, as near as may be, in the same proportion as the unpaid principal amount thereof bears to the aggregate principal amount of all the Trust Certificates and shall be credited pro rata against each installment of principal thereafter due thereon in proportion to the principal amount represented by each such installment. Upon any such prepayment, the Trustee shall deliver to the Purchaser a certificate showing the revised principal and interest payments to be made on each Trust Certificate.

SECTION 3.02. Payment of Deposited Cash. On the Closing Date, the Trustee shall (subject to the provisions of Sections 3.03 and 3.04) pay out of Deposited Cash then held by the Trustee, upon Request of the Owner-Trustee, to the Manufacturer, or for the purchase of Canadian dollars pursuant to the Futures Contract for payment to the Manufacturer, an amount specified in such Request not exceeding 79.5% of the aggregate Builder's Price of the Assigned Equipment as set forth in the invoice or invoices furnished to the Trustee pursuant to Paragraph 5 of the Purchase Order Assignment and to the Owner-Trustee an amount specified in such Request not exceeding 79.5% of the cost for the painting and lining of the Assigned Equipment as set forth in an Officer's Certificate of the Lessee with a copy of the contract therefor attached; provided, however, that the Trustee shall not pay out any Deposited Cash unless and until the provisions of Paragraph 8 of the Participation Agreement have been satisfied and the Owner-Trustee makes the payment referred to in Section 3.03.

SECTION 3.03. Payment of Deficiency. The Owner-Trustee covenants and agrees, that, on the Closing Date, it will pay to the Trustee for the account of the Manufacturer, that portion of the Builder's Price of the Assigned Equipment not paid out of Deposited Cash as provided for in Section 3.02; provided, however, that the Owner-Trustee shall not make such payment unless and until the provisions of Paragraph 9 of the Participation Agreement have been satisfied.

SECTION 3.04. Supporting Papers. The Trustee shall not pay out any Deposited Cash for the purchase of any unit of Equipment unless and until it shall have received the documents required by Paragraph 5 of the Purchase Order Assignment and the Officer's Certificate specified in Section 3.02.

SECTION 3.05. Absence of Title Encumbrances. The Owner-Trustee hereby represents and warrants to the Trustee that upon delivery of each unit of Equipment and payment therefor as provided in this Article Three such unit of Equipment shall then be free from all claims, liens, security interests and other encumbrances of any nature arising from or through either Owner or the Owner-Trustee except as created by this Agreement and except for the rights of the Lessee under the Lease.

ARTICLE FOUR

Lease of Trust Equipment to the Owner-Trustee

SECTION 4.01. Lease of Trust Equipment. The Trustee does hereby let and lease all the Trust Equipment to the Owner-Trustee, for a period ending January 15, 1998.

SECTION 4.02. Equipment Automatically Subjected. As and when any Equipment shall from time to time be accepted hereunder by the Trustee or its agent or agents, the same shall, ipso facto and without further instrument of lease or transfer, become subject to all the terms and provisions hereof.

SECTION 4.03. Rental Payments. The Owner-Trustee hereby accepts the lease of all the Trust Equipment; and the Owner-Trustee hereby covenants and agrees to pay to the Trustee at the Corporate Trust Office (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, rental hereunder which shall be sufficient to pay and discharge the following items when and as the same shall become due and payable (whether or not any of such items shall become due and payable prior to the acceptance of and lease to the Owner-Trustee of any unit of the Trust Equipment):

(A) the expenses of the trust hereby created, to the extent not paid by Comdisco pursuant to Paragraph 14 of the Participation Agreement, including but not limited to compensation and expenses of the Trustee;

(B) except (but only to the extent paid by the Owners to the Trustee pursuant to the Participation Agreement) for interest payable on July 15, 1980, and any interest thereafter due with respect to any such interest unpaid on July 15, 1980, to the amounts of the interest payable on the Trust Certificates, when and as the same shall become payable, and interest at the rate of 12.40% per annum from the due date, upon the amount of any installments of rental payable under this and the following subparagraph which shall not be paid when due, to the extent legally enforceable; and

(C) the installments of principal of all the Trust Certificates (except as such sum may be reduced due to

prepayments made pursuant to the terms hereof), when and as the same shall become payable, whether upon the date of maturity thereof or by declaration or otherwise.

Notwithstanding any other provisions of this Agreement, including, without limitation, Articles Five and Six hereof, it is understood and agreed by the Trustee on behalf of itself and the holders of the Trust Certificates that the liability of the Owner-Trustee for all payments to be made by it under and pursuant to this Agreement and for all performance obligations (other than the payments called for by Section 3.03 and as provided in the proviso to the last paragraph of Section 6.01), shall not exceed an amount equal to, and shall be payable only out of, the income and proceeds from the Trust Equipment. As used herein the term "income and proceeds from the Trust Equipment" shall mean (i) if an Event of Default shall have occurred and while it shall be continuing so much of the following amounts as are indefeasibly received by the Owner-Trustee or any assignee of the Owner-Trustee at any time after such Event of Default and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences paid for or with respect to such Trust Equipment pursuant to the Lease and (b) any and all other payments or proceeds received pursuant to the Lease (except sums which by the express terms of the Lease are payable directly to the Owners or the Owner-Trustee pursuant to § 6 and § 9 of the Lease and Paragraph 10 of the Participation Agreement) or for or with respect to such Trust Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) or otherwise payable to the Owner-Trustee pursuant to the Lease as are indefeasibly received by the Owner-Trustee and as shall equal the rental payments specified in the first paragraph of this Section 4.03 due and payable by the Owner-Trustee on the date such amounts so received were required to be paid pursuant to the Lease or as shall equal any other payments (including payments in respect of Casualty Occurrences) then due and payable under this Agreement; it being understood that "income and proceeds from the Trust Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Owner-Trustee or any assignee of the Owner-Trustee prior to the existence of such an Event of Default which exceeded the amounts required to make the rental payments specified in the first paragraph of this Section 4.03 due and payable by the

Owner-Trustee on the date on which amounts with respect thereto received by the Owner-Trustee or any assignee of the Owner-Trustee were required to be paid pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. The Trustee agrees that if it obtains a judgment against the Owner-Trustee for an amount in excess of the amounts payable by the Owner-Trustee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount and it will not bring suit against the Owner-Trustee for any sums in addition to the amounts payable by the Owner-Trustee pursuant to said limitations (or obtain a judgment, order or decree against the Owner-Trustee for any relief other than the payment of money) except as may be required by applicable rules of procedure to enforce, by appropriate proceedings against the Owner-Trustee at law or in equity or otherwise, its rights with respect to the Trust Estate or the Lessee (rather than against the Owner-Trustee personally). Nothing contained herein limiting the liability of the Owner-Trustee shall derogate from the right of the Trustee to proceed against the Trust Equipment or to enforce any security interest it may have in any payments made to either Owner or the Owner-Trustee by the Lessee, as provided for herein or in the Lease, the Lease Assignment or the Consent.

SECTION 4.04. Termination of Trust and Lease. The transfer of the Trust Equipment to the Trustee by the Owner-Trustee and the lease of such units to the Owner-Trustee by the Trustee pursuant to this Agreement are intended solely to create a security interest in such units in order to secure the performance by the Owner-Trustee of its obligations under this Agreement and the payment of all sums payable pursuant to this Agreement (without regard to the provisions of the last paragraph of Section 4.03 or Section 9.06) and, subject thereto, beneficial ownership of such units of Trust Equipment shall be and remain in the Owner-Trustee. The Trustee agrees that it has no right to claim, nor will it file any tax return claiming, the investment credit or any other income tax benefits associated with the beneficial ownership of the Equipment. After all payments due or to become due from the Owner-Trustee hereunder shall have been completed and fully made to the Trustee (1) such payments shall be deemed to represent the discharge in full of the Trustee's security interest in the Trust Equipment, (2) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and after paying the

expenses of the Trustee (to the extent not theretofore paid by Comdisco pursuant to Paragraph 14 of the Participation Agreement), including its reasonable compensation, shall be paid to the Owner-Trustee, and (3) the Trustee shall execute for recording in public offices, at the expense of the Owner-Trustee, such instrument or instruments in writing as reasonably shall be requested by the Owner-Trustee in order to discharge of record the security interest of the Trustee in, and to make clear upon public records the Owner-Trustee's full title to, all the Trust Equipment under the laws of any jurisdiction; provided, however, that until that time a security interest in the Trust Equipment shall be and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Owner-Trustee pursuant to the terms of this Agreement.

In addition, the Trustee's security interest in any unit of Trust Equipment which shall have suffered a Casualty Occurrence shall be deemed to be discharged in full upon the payment by the Owner-Trustee to the Trustee of the amount required to be paid with respect to such unit pursuant to Section 4.06 hereof, and the Trustee shall execute for recording in public offices, at the expense of the Owner-Trustee, such instrument or instruments in writing as reasonably shall be requested by the Owner-Trustee in order to discharge of record the security interest of the Trustee in, and to make clear upon public records the Owner-Trustee's full title to, such unit under the laws of any jurisdiction.

SECTION 4.05. Marking of Trust Equipment. The Owner-Trustee will cause each unit of the Equipment to be kept numbered and marked as provided in § 5 of the Lease. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Trustee and filed, recorded and deposited by or on behalf of the Trustee and filed, recorded and deposited by or on behalf of the Owner-Trustee in all public offices where this Agreement shall have been filed, recorded and deposited. Except as provided in the next preceding paragraph, the Owner-Trustee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

SECTION 4.06. Maintenance of Trust Equipment; Casualty Occurrences. The Owner-Trustee will maintain or cause to be maintained and keep all the Trust Equipment in as good condition as when delivered to the Owner-Trustee hereunder, ordinary wear and tear in salt service excepted at no cost or expense to the Trustee.

Whenever any unit of the Trust Equipment shall suffer a Casualty Occurrence, the Owner-Trustee shall, promptly after it shall have been informed of such Casualty Occurrence, deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the value thereof. On the January 15 or July 15 next succeeding the delivery of such Officer's Certificate, the Owner-Trustee shall pay to the Trustee an amount equal to the value of such unit as of the date of such payment. The rights and remedies of the Trustee to enforce or to recover any of the rental payments to which the Trustee is otherwise entitled hereunder shall not be affected by reason of such Casualty Occurrence. For all purposes of this paragraph, the value of any unit of Trust Equipment shall be deemed to be that amount which bears the same ratio to that portion of the original Purchase Price thereof paid by the Trustee pursuant to Section 3.02 as the aggregate unpaid principal amount of the Trust Certificates (without giving effect to any prepayments then or theretofore made pursuant to this Section), as of the date payment is made with respect to such Casualty Occurrence, bears to the aggregate principal amount of the Trust Certificates issued pursuant to Section 2.01 minus any principal amount prepaid pursuant to the last paragraph of Section 3.01.

Cash deposited with the Trustee pursuant to this Section shall be applied (after the payment of the interest and principal due on such date) to prepay without premium the principal of the Trust Certificates as follows: such prepayment shall be made on the date on which such deposit was made and shall be allocated by the Trustee to each outstanding Trust Certificate, as near as may be, in the same proportion as the unpaid principal amount thereof bears to the aggregate unpaid principal amount of all the Trust Certificates and shall be credited pro rata against each installment of principal thereafter due thereon in proportion to the principal amount represented by each such installment. Upon any such prepayment, the Trustee shall deliver to the holder of Trust Certificates a certificate showing the revised principal and interest payments to be made thereon.

The Owner-Trustee agrees to furnish or cause to be furnished to the Trustee, on or before April 1 in each year commencing with 1981, an Officer's Certificate (1) setting forth as at the preceding December 31 (or as of the date of this Agreement in the case of the first such Officer's Certificate) the amount, description and numbers of all Trust Equipment then covered by this Agreement, the amount, description and numbers of all Trust Equipment that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Agreement in the case of the first such Officer's Certificate) (specifying the dates of such Casualty Occurrences) or, to the knowledge of the Owner-Trustee, are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Trust Equipment as the Trustee may reasonably request and (2) stating that, in the case of all Trust Equipment repainted or repaired during the period covered by such statement, the numbers and the markings required by Section 4.05 hereof have been preserved or replaced. The Trustee, by its agents, shall have the right to inspect, at the expense of the Owner-Trustee, the Trust Equipment and the Owner-Trustee's records with respect thereto at such reasonable times as the Trustee may request during the continuance of this Agreement.

The obligations of the Owner-Trustee under this Section are subject to the limitations set out in the last paragraph of Section 4.03 hereof.

SECTION 4.07. Possession of Trust Equipment.

Except as provided in this Section, the Owner-Trustee will not assign or transfer its rights hereunder, or transfer or lease the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Owner-Trustee shall not, without such written consent, except as herein permitted, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment.

So long as the Owner-Trustee shall not be in default under this Agreement, the Owner-Trustee shall be entitled to the possession and use of the Trust Equipment, and shall be entitled to permit the use of the Trust Equipment as provided in the Lease.

SECTION 4.08. Indemnity. The Owner-Trustee covenants and agrees to indemnify, protect, save and keep harmless the Trustee and its respective successors, assigns, legal representatives, agents and servants, and the holders of the Trust Certificates (the "Indemnified Persons") from and against any and all Indemnified Matters. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Owner-Trustee may and, upon such Indemnified Person's request, will at the Owner-Trustee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Owner-Trustee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Owner-Trustee to do so, the Owner-Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Owner-Trustee is required to make any payment under this Section, the Owner-Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. Upon the payment in full of any indemnities as contained in this Section by the Owner-Trustee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, the Owner-Trustee shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Owner-Trustee) as a result of any Indemnified Matter shall be paid over to the Owner-Trustee to the extent necessary to reimburse the Owner-Trustee for indemnification payments previously made in respect of such Indemnified Matter.

The indemnities contained in this Section shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, any Indemnified Person. None of

the indemnities in this Section shall be deemed to create any rights of subrogation in any insurer or third party against the Owner-Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Owner-Trustee will bear the responsibility for, and risk of, and shall not be released from its obligations hereunder in the event of any damage to or the loss or destruction of any unit of or all the Trust Equipment.

The obligations of the Owner-Trustee under this Section are subject to the limitations contained in the last paragraph of Section 4.03 hereof.

SECTION 4.09. Compliance with Laws and Rules.

During the term of this Agreement, the Owner-Trustee will comply, and will cause every lessee or user of the Trust Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Trust Equipment) with all Applicable Laws, and in the event that the Applicable Laws require any alteration, replacement or addition of or to any part on any unit of the Trust Equipment, the Owner-Trustee will, or will cause the Lessee to, conform therewith at no expense to the Trustee; provided, however, that the Owner-Trustee or the Lessee may, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the reasonable opinion of the Trustee, adversely affect the property or rights of the Trustee under this Agreement.

SECTION 4.10. Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Owner-Trustee agrees to pay, and to indemnify and hold the Trustee and the holders of the Trust Certificates harmless from, all Taxes; excluding, however, (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the holders of Trust Certificates or the Trustee, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement; (ii) any Taxes imposed on or measured by any fees or compensation received by the Trustee; (iii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposi-

tion, or any transfer or disposition resulting from bankruptcy or other proceedings for the relief of creditors whether voluntary or involuntary of any Trust Certificate; and (iv) Taxes which are imposed on or measured solely by the net income of the Trustee or the holders of the Trust Certificates if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Owner-Trustee has not agreed to pay or indemnify against pursuant to this Section; provided, however, that the Owner-Trustee shall not be required to pay any Taxes during the period it or the Lessee may be contesting the same in the manner provided in the next succeeding paragraph or the Lease, as the case may be.

If claim is made against the Trustee or any holder of the Trust Certificates, for any Taxes indemnified against under this Section, the Trustee or the holders of the Trust Certificates shall promptly notify the Owner-Trustee. If reasonably requested by the Owner-Trustee in writing, the Trustee or the holders of the Trust Certificates, as the case may be, shall, upon receipt of any indemnity satisfactory to it or them, as the case may be, for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Owner-Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Owner-Trustee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Trustee or the holders of the Trust Certificates as the case may be; provided, however, that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Trustee or the holders of the Trust Certificates, as the case may be, in any such proceeding or action) without the prior written consent of the Trustee. If the Trustee or the holders of the Trust Certificates, as the case may be, shall obtain a refund of all or any part of such Taxes previously reimbursed by the Owner-Trustee in connection with any such contest or an amount representing interest thereon, the Trustee or the holders of the Trust Certificates, as the case may be, shall pay the Owner-Trustee the amount of such refund or interest net of expenses; provided, however, that no Event

of Default and no event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Owner-Trustee under this Section or arising out of this Section, the Owner-Trustee shall either make such report or return in such manner as will show the interest of the Trustee in the Trust Equipment or shall promptly notify the Trustee of such requirement and shall make such report or return in such manner as shall be satisfactory to the Trustee. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Owner-Trustee.

All of the obligations of the Owner-Trustee under this Section shall survive and continue, notwithstanding payment in full of all amounts due under this Agreement, but only with respect to periods included in the term of this Agreement.

The obligations of the Owner-Trustee under this Section are subject to the limitations contained in the last paragraph of Section 4.03 hereof.

ARTICLE FIVE

Events of Default and Remedies

SECTION 5.01. Events of Default. The Owner-Trustee covenants and agrees that, without regard to any limitation of liability contained in Section 4.03 or Section 9.06, in case:

(a) the Owner-Trustee shall fail to pay or cause to be paid in full any sum payable pursuant to Section 4.03 or Section 4.06 by the Owner-Trustee when payment thereof shall be due hereunder and such default shall continue for more than 10 business days after the same shall have become due and payable; or

(b) the Owner-Trustee, except as herein authorized or contemplated, shall suffer or make any assignment or transfer of its rights or interests hereunder or make any transfer or part with the possession of any of the Trust Equipment, and shall fail or refuse either to

cause such assignment or transfer to be canceled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded of the Owner-Trustee and the Lessee in writing such cancelation and recovery of possession; or

(c) the Owner-Trustee shall for more than 30 days after the Trustee shall have demanded of the Owner-Trustee and the Lessee in writing performance thereof, fail or refuse to comply with any other of the provisions hereof or of the Lease Assignment on its part to be kept and performed; or

(d) any proceeding shall be commenced by or against the Owner-Trustee or the Lessee for any relief which includes, or might result in, any modification of the obligations of the Owner-Trustee hereunder or of the Lessee under the Lease or the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Owner-Trustee under this Agreement or of the Lessee under the Lease and the Consent, as the case may be, shall not have been and shall not continue to be duly assumed in writing pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Owner-Trustee or the Lessee, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced; or

(e) any representation of the Owner-Trustee or the Lessee made in the Participation Agreement or pursuant thereto shall prove to have been false in any material respect when made; or

(f) an Event of Default under and as defined in the Lease shall occur unless the Owner-Trustee shall have cured such Event of Default within 10 business days after the Trustee shall have given notice thereof to the Owner-Trustee;

then, in any such case (herein sometimes called an "Event of Default"), the Trustee in its discretion may, and upon the written request of the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Owner-Trustee, declare to be due and payable forthwith the entire amount of the rentals (but not including rentals required for the payment of interest accruing after the date of such declaration) payable by the Owner-Trustee, as set forth in Section 4.03 hereof for the entire remaining term of the lease evidenced hereby and not theretofore paid. Thereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the rate of 12.40% per annum, to the extent legally enforceable, on any portion thereof overdue.

In case any one or more Events of Default shall happen, the Trustee in its discretion also may, and upon the written request of the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Owner-Trustee, declare the unpaid principal of all the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable.

In case the Owner-Trustee shall fail to pay any installment of rental payable pursuant to Section 4.03(B) or 4.03(C) hereof when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of 10 business days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the rentals so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Owner-Trustee and collect in the manner provided by law out of the property of the Owner-Trustee (including the Trust Equipment) wherever situated

the moneys adjudged or decreed to be payable (subject to the provisions of the last paragraph of Section 4.03).

All rights of action and to assert claims under this Agreement, under the Lease or under any of the Trust Certificates, may be enforced by the Trustee without the possession of any of the Trust Certificates or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as Trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Trust Certificates. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provisions of this Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Trust Certificates, and it shall not be necessary to make any holders of the Trust Certificates parties to such proceedings.

SECTION 5.02. Remedies. In case of the happening of any Event of Default the Trustee may by its agents enter upon the premises where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, incentive per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease or otherwise contract for the use of the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession (but only after declaring due and payable the entire amount of rentals payable by the Owner-Trustee and the unpaid principal of all the then outstanding Trust Certificates, as provided in Section 5.01) sell the Trust Equipment or any part thereof, free from any and all claims of the Owner-Trustee at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale for cash or upon credit in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of then outstanding Trust Certificates, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment

to be sold, and in general in such manner as the Trustee may determine, but so that the Owner-Trustee or any Owner may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal, lease or sale of the Trust Equipment, the Owner-Trustee shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Owner-Trustee and no payments theretofore made by the Owner-Trustee for the rent or use of the Trust Equipment or any of it shall give to the Owner-Trustee any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking of possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Owner-Trustee of rentals then or thereafter due and payable, or of principal and interest in respect of the Trust Certificates, and the Owner-Trustee (subject to the provisions of the last paragraph of Section 4.03 hereof) shall be and remain liable for the same until such sums have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the obligations of the Owner-Trustee under this Agreement. So long as (i) no Event of Default (as defined in the Lease) exists under the Lease, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lease may not be terminated and nothing in this Agreement shall limit the rights of the Lessee to the possession, use and assignment of the Equipment as provided under § 12 of the Lease.

SECTION 5.03. Application of Proceeds. If the Trustee shall exercise any of the powers conferred upon it by Section 5.01 and 5.02, all payments made by the Owner-Trustee to the Trustee, and the proceeds of any judgment collected from the Owner-Trustee by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates or a part thereof, or interest thereon) shall be applied by the Trustee to the payment in the following order of priority, (a) of all proper charges,

expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement and (b) of the interest then due, with interest on overdue interest at the rate of 12.40% per annum, to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the rate of 12.40% per annum, to the extent legally enforceable, from the last preceding interest payment date, whether or not such Trust Certificates shall have then matured by their terms, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then first to interest and then to principal.

After all such payments shall have been made in full, the security interest of the Trustee in and to any of the Trust Equipment remaining unsold shall be released by the Trustee so that the title therein of the Owner-Trustee shall be free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Owner-Trustee, subject to the provisions of the last paragraph of Section 4.03, agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Owner-Trustee.

SECTION 5.04. Waivers of Default. Prior to the declaration of the acceleration of the maturity of the rentals and of the maturity of all the Trust Certificates as provided in Section 5.01, the holders of not less than 66-2/3% in aggregate unpaid principal amount of the Trust Certificates at the time outstanding may on behalf of the holders of all the Trust Certificates waive by an instrument in writing delivered to the Trustee any past default and its consequences, except a default in the payment of any installment of rental payable pursuant to Section 4.03(B) or 4.03(C), but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as provided in Section 5.01, but before January 15, 1998, all arrears of rent (with interest at the rate of

12.40% per annum upon any overdue installments, to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Owner-Trustee's default, and all other sums which shall have become due and payable by the Owner-Trustee hereunder shall be paid by the Owner-Trustee (irrespective of the provisions of the last paragraph of Section 4.03) before any sale or lease by the Trustee of any of the Trust Equipment, and every other default shall be made good or secured to the satisfaction of the Trustee, then, and in every such case, the Trustee, if so requested in writing by the holders of a majority in aggregate unpaid principal amount of the Trust Certificates then outstanding, shall by written notice to the Owner-Trustee waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5.05. Obligations of the Owner-Trustee Not Affected by Remedies. No retaking of possession of the Trust Equipment by the Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Owner-Trustee or in respect of the Trust Equipment on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Owner-Trustee by the Trustee or by any such holder, shall affect the obligations of the Owner-Trustee hereunder.

The Owner-Trustee hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any default in the payment of the principal of and interest on the Trust Certificates.

SECTION 5.06. The Owner-Trustee To Deliver Trust Equipment to Trustee. In case the Trustee shall demand possession of any of the Trust Equipment, the Owner-Trustee will, as soon as possible, cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee in accordance with § 11 of the Lease and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep such Trust Equipment, without expense to the Trustee, on any lines of railroad or premises approved by the Trustee

until the Trustee shall have leased, sold or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Owner-Trustee, requiring the specific performance thereof.

SECTION 5.07. Trustee To Give Notice of Default. The Trustee shall give to the registered holders of the Trust Certificates notice of each Event of Default hereunder actually known to the Trustee at its Corporate Trust Office, promptly after it so learns of the same, unless remedied or cured before the giving of such notice.

SECTION 5.08. Control by Holders of Trust Certificates. The registered holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction (i) if the Trustee shall be advised by counsel that the action so directed may not lawfully be taken or (ii) if the Trustee shall be advised by counsel that the action so directed may involve it in personal liability as to which the holders have not agreed fully to indemnify the Trustee. The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with any such direction given hereunder.

SECTION 5.09. Remedies Cumulative; Subject to Mandatory Requirements of Law. The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity; and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Owner-Trustee.

ARTICLE SIX

Additional Covenants and Agreements by the Owner-Trustee

SECTION 6.01. Discharge of Liens. The Owner-Trustee covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien, charge, security interest or other encumbrance upon or against any of the Trust Equipment, or the "income and proceeds from the Trust Equipment" (as defined in Section 4.03); but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, provided that such contest will not materially endanger the rights or interest of the Trustee or of the holders of the Trust Certificates and the Owner-Trustee shall have furnished the Trustee with an Opinion of Counsel to such effect. If the Owner-Trustee does not forthwith pay and discharge, or cause to be paid and discharged, or make adequate provisions for the satisfaction or discharge of, any such debt, tax, charge, assessment, obligation or claim as required by this Section, the Trustee may, but shall not be obligated to, pay and discharge the same and any amount so paid shall be secured by and under this Agreement until reimbursed by the Owner-Trustee.

The obligations of the Owner-Trustee under this Section are subject to the limitations contained in Section 9.06; provided, however, that the Owner-Trustee will pay or discharge any and all claims, liens, charges or security interests claimed by any party from, through or under the Owner-Trustee or the Owners or the successors or assigns of any of them, not arising out of the transactions contemplated hereby (but including any tax liens arising out of the receipt of rentals and other payments under the Lease or the Participation Agreement), but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Trustee in the Trust Equipment, its interest in said income and proceeds from the Trust Equipment, or otherwise under this Agreement.

SECTION 6.02. Recording. The Owner-Trustee will, promptly after the execution and delivery of this Agreement, the Lease and the Lease Assignment and each supplement or amendment hereto or thereto, respectively, cause the same to be duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303. Subject as aforesaid, the Owner-Trustee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record and will refile, reregister and rerecord any and all further instruments required by law or reasonably requested by the Trustee for the purposes of the proper protection of the security interest of the Trustee and the rights of the holders of the Trust Certificates and of fully carrying out and effectuating this Agreement and the intent hereof.

Promptly after the execution and delivery of this Agreement and of each supplement or amendment hereto or thereto, the Owner-Trustee will furnish to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, such document has been properly deposited, filed, registered and recorded and redeposited, refiled, reregistered and rerecorded, if necessary, so as effectively to protect the security interest of the Trustee to the Trust Equipment and its rights and the rights of the holders of the Trust Certificates hereunder and thereunder and reciting the details of such action.

SECTION 6.03. Further Assurances. The Owner-Trustee covenants and agrees that from time to time it will do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

ARTICLE SEVEN

Concerning the Holders of Trust Certificates

SECTION 7.01. Evidence of Action Taken by Holders of Trust Certificates. Whenever in this Agreement it is provided that the holders of a specified percentage in aggregate unpaid principal amount of the Trust Certificates may take action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of

taking any such action the holders of such specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by holders of Trust Certificates in person or by agent or proxy appointed in writing.

SECTION 7.02. Proof of Execution of Instruments and of Holding of Trust Certificates. Proof of the execution of any instrument by a holder of Trust Certificates or his agent or proxy and proof of the holding by any person of any of the Trust Certificates shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the person executing the same.

The ownership of Trust Certificates may be proved by the register of such Trust Certificates or by a certificate of the registrar thereof.

SECTION 7.03. Trust Certificates Owned by Either Owner, the Owner-Trustee or the Lessee. In determining whether the holders of the requisite unpaid principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates which are owned by either Owner, the Owner-Trustee or the Lessee or by any other obligor on the Trust Certificates or by an Affiliate of the Lessee or any such other obligor or either Owner shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request or consent, only Trust Certificates which are actually known to the Trustee at its Corporate Trust Office to be so owned, shall be disregarded.

SECTION 7.04. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the

Trustee, as provided in Section 7.01, of the taking of any action by the holders of the percentage in aggregate unpaid principal amount of the Trust Certificates specified in this Agreement in connection with such action, any holder of a Trust Certificate the serial number of which is shown by the evidence to be included in the Trust Certificates the holders of which have consented to such action may, by filing written notice with the Trustee and upon proof of holding as provided in Section 7.02, revoke such action insofar as concerns such Trust Certificate. Except as aforesaid, any such action taken by the holder of any Trust Certificate shall be conclusive and binding upon such holder and upon all future holders and owners of such Trust Certificate and of any Trust Certificate issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Trust Certificate. Any action taken by the holders of the percentage in aggregate unpaid principal amount of the Trust Certificates specified in this Agreement in connection with such action shall be conclusive and binding upon the Owner-Trustee, the Trustee and the holders of all the Trust Certificates, subject to the provisions of Section 5.08.

ARTICLE EIGHT

The Trustee

SECTION 8.01. Acceptance of Trust. The Trustee hereby accepts the trust imposed upon it by this Agreement, and covenants and agrees to perform the same as herein expressed.

SECTION 8.02. Duties and Responsibilities of the Trustee. The Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Trustee shall not be deemed to have knowledge of any default or Event of Default under this Agreement prior to the time it shall have obtained actual knowledge thereof at its Corporate Trust Office.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligence

or its wilful misconduct, except that:

(a) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement;

(b) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(c) the Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority (or such higher percentage as may be specifically provided in any provision hereof for the action specified in such provision) in aggregate unpaid principal amount of the then outstanding Trust Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(d) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution,

certificate, statement, instrument, opinion, report, notice, request, consent, order, Trust Certificate, guarantee or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(e) the Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such Opinion of Counsel;

(f) the Trustee shall be under no obligation to exercise any of its rights or powers vested in it by this Agreement, at the request, order or direction of any of the holders of the Trust Certificates, pursuant to the provisions of this Agreement, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby and for its reasonable compensation in so acting; and

(g) the Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement. None of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 8.03. Application of Rentals. The Trustee covenants and agrees to apply the rentals received by it under Section 4.03 when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in Section 4.03.

The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or

taking possession of the Trust Equipment until fully indemnified by the Owner-Trustee or by one or more holders of the Trust Certificates against all liability and expenses; and the Trustee shall not be responsible for the filing or recording or refiling or rerecording of this Agreement or of any supplement hereto or statement of new numbers or any assignments or any other statement or document that may be permitted or required to be filed, recorded, refiled or rerecorded in any jurisdiction to protect or perfect any of the security interests contemplated hereby.

SECTION 8.04. Funds May Be Held by Trustee. Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on noninterest bearing deposit with itself.

SECTION 8.05. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the Manufacturer or of the Owner-Trustee, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation on the part of the Trustee in respect of the value thereof or in respect of the title thereto or the security afforded thereby or otherwise.

The Trustee may perform its powers and duties hereunder by or through such attorney and agents as it shall appoint, and shall be answerable only for its own negligence or wilful misconduct and not for the default or misconduct of any attorney or agent appointed by it with reasonable care. The Trustee shall not be responsible in any way for, and makes no representation with respect to, the recitals herein contained or for the execution or validity or enforceability of this Agreement or of the Trust Certificates (except for its own execution thereof).

The Trustee shall be entitled to receive payment of all its expenses and disbursements hereunder, including reasonable counsel fees and expenses, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Owner-Trustee except to the extent otherwise paid by Comdisco.

The Trustee in its individual capacity may own, hold and dispose of Trust Certificates.

Any moneys at any time held by the Trustee or any paying agent hereunder shall, until paid out or invested by the Trustee or any paying agent as herein provided, be held by it in trust as herein provided for the benefit of the holders of the Trust Certificates.

SECTION 8.06. Resignation and Removal; Appointment of Successor Trustee. (a) The Trustee may resign and be discharged of the trust created by this Agreement by giving at least 30 days' written notice to the holders of the Trust Certificates and the Owner-Trustee. Such resignation shall take effect upon receipt by the Trustee of an instrument of acceptance executed by a successor trustee as herein provided in this Section.

(b) The Trustee may be removed at any time by an instrument in writing signed by the holders of a majority in aggregate unpaid principal amount of the Trust Certificates then outstanding, delivered to the Trustee and to the Owner-Trustee.

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or, if at any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates by an instrument in writing delivered to the Owner-Trustee and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Owner-Trustee by an instrument in writing shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Owner-Trustee shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above. Every successor trustee appointed pursuant to this Section shall be a national bank or a bank or trust company incorporated under the laws of the United States of America, the State of New York, the State of Utah or the State of Wisconsin having its principal office in the City of New York, the City of Salt Lake City or the City of Milwaukee and having a capital and surplus of not less than \$100,000,000, if there be such an institution willing, qualified and able

to accept the trust upon reasonable or customary terms.

(d) The Owner-Trustee shall give notice to the holders of all outstanding Trust Certificates of each resignation (if not previously given by the Trustee) or removal of the then Trustee and of each appointment by the Owner-Trustee of a successor trustee pursuant to this Section by mailing written notice of such event by first class mail, postage prepaid.

SECTION 8.07. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 8.06 shall execute, acknowledge and deliver to the Owner-Trustee and to its predecessor trustee an instrument accepting such appointment hereunder and, subject to the provisions of Section 8.06(a), thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Request of the Owner-Trustee or written request of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon written request of any such successor trustee, the Owner-Trustee shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 8.05.

SECTION 8.08. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 8.06, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE NINE

Miscellaneous

SECTION 9.01. Rights Confined to Parties and Holders. Nothing expressed or implied herein is intended or shall be construed to confer upon or give to any person, firm or corporation, other than the parties hereto and the holders of the Trust Certificates and the third-party beneficiaries specified herein, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates.

SECTION 9.02. No Recourse. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each of and all the representations, covenants, undertakings and agreements herein made on the part of the Owner-Trustee, except the provisions to the last paragraph of Section 6.01, are made and intended not as personal representations, covenants, undertakings and agreements by First Security State Bank, or for the purpose or with the intention of binding such corporation 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 First Security State Bank, not in its own right but solely in the exercise of the powers expressly conferred on it as trustee under the Trust Agreement. The term Owner-Trustee, as used herein, shall refer to any successor trustee appointed pursuant to the Trust Agreement.

SECTION 9.03. Amendment or Waiver. Any provision of this Agreement may be amended or waived with the written consent of the holders of not less than 66-2/3% of the aggregate unpaid principal amount of the Trust Certificates then outstanding; provided, however, that without the consent of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding, no such amendment or waiver shall (1) reduce the amount of principal, change the amount or dates of payment of installments of principal or reduce the rate or extend the time of payment of interest with respect to the Trust Certificates without the consent of the holders of each Trust Certificate so affected,

(2) reduce the amount of or extend the time of payment of any rentals payable under this Agreement or release or provide for the release of any of the Trust Equipment or any other property or cash held by the Trustee in trust otherwise than as expressly permitted by the present terms of this Agreement, or (3) reduce the percent of the aggregate unpaid principal amount of Trust Certificates then outstanding, the holders of which are required to approve any amendment or to effect any waiver; provided further, however, that no such amendment or waiver shall modify the rights, duties or immunities of the Trustee without the prior written consent of the Trustee.

Any amendment or waiver in respect of the Lease may be consented to by the Trustee with the written consent of the holders of a majority of the aggregate unpaid principal amount of the Trust Certificates then outstanding; provided, however, that, if such amendment or waiver would reduce the amount of or extend the time for payment of any rentals or other obligations under the Lease in a manner so as to affect the due and punctual payment of the principal of and interest on the Trust Certificates and the other obligations of the Owner-Trustee hereunder, the Trustee shall not consent thereto without the prior written approval of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding.

SECTION 9.04. Binding upon Assigns. Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 9.05. Notice. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) the Owner-Trustee at the address set forth for the Owner-Trustee in the Lease or such other address as may hereafter be furnished to the Trustee, in writing by the Owner-Trustee, (b) the Trustee at First Security Bank of Utah, National Association, 79 South Main Street, Salt Lake City, Utah 84111, Attention of Trust Division, Corporate Trust Department, or such other address as may hereafter be furnished in writing by the Trustee and (c) in the case of any holder of the Trust Certificates, at such address as is provided in the Participation Agreement or as otherwise furnished in writing to the Trustee. An affidavit by any person representing or acting on behalf of

the Trustee, the Owner-Trustee or the holders of the Trust Certificates as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 9.06. Satisfaction of Obligations. The obligations of the Owner-Trustee under Sections 4.05, 4.06 (other than the second paragraph thereof), 4.08, 4.09, 4.10, 5.06, 6.01 (other than the proviso to the last paragraph thereof) and 6.02, but excluding any provisions requiring the execution of any instrument by the Owner-Trustee, shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease. The Owner-Trustee shall have no responsibility for the Lessee's failure to perform such undertakings, but if any of the same shall not be performed it shall constitute the basis for an Event of Default under Section 5.01. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Trustee.

SECTION 9.07. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 9.08. Date Executed. This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the Trustee.

SECTION 9.09. Law Governs. The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the Trustee and the Owner-Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their

respective seals, duly attested, to be hereunto affixed as of the day and year first above written.

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION,

[Seal]

by 
Authorized Officer

Attest:


Authorized Officer

FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner-Trustee
except as otherwise specif-
ically provided,

[Seal]

by 
Authorized Officer

Attest:


Authorized Officer

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this *25th* day of *march* 1980, before me personally appeared *William John Lamborn*, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association 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 national banking association.

Bandy R. Merchant

Notary Public

[Notarial Seal]



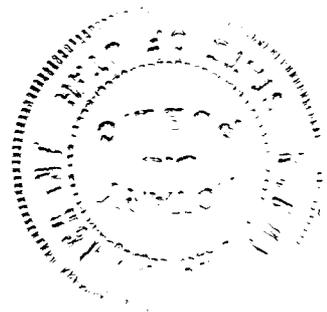
STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this *25th* day of *March* 1980, before me personally appeared **JOHN R. SAGER**, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY STATE BANK, that one of the seals affixed to the foregoing instrument is the seal of said bank, that said instrument was signed and sealed on behalf of said bank 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 bank.

Randy R. Murchant

Notary Public

[Notarial Seal]



SCHEDULE A

<u>Manufacturer</u>	<u>Trust Equipment Description</u>	<u>Units of Trust Equipment</u>	<u>Road Numbers (Incl.)</u>
Marine Industrie Limitee	100 ton, 3 compartment covered hopper cars built in conformity with Manufacturer's General Arrangement drawing No. 9-14274 Rev. A dated 2/8/79 and Specification No. 390 dated 10/79	100	MNPX 2001 through MNPX 2100

[Form of Trust Certificates]

NOTE: This Trust Certificate has not been registered under the Securities Act of 1933 and must be held indefinitely unless a subsequent disposition hereof is exempt from the registration requirements of said Act.

\$

No.

11.40% Equipment Trust Certificates,

Due January 15, 1998,

Secured by Morton-Norwich Products, Inc., Lease

Total Authorized Issue: \$4,094,250

FIRST SECURITY BANK OF UTAH, National Association,
Trustee

FIRST SECURITY BANK OF UTAH, National Association, not in its individual capacity but solely as Trustee (the "Trustee"), under an Equipment Trust Agreement (the "Agreement") dated as of February 1, 1980, between the Trustee and FIRST SECURITY STATE BANK (the "Owner-Trustee"), acting as Owner-Trustee under a Trust Agreement dated as of January 8, 1980, with Westinghouse Credit Corporation and Suburban Trust Company (the "Owners" and severally an "Owner") hereby certifies that

or registered assigns is entitled to an interest of

Dollars in Equipment Trust, Secured by Morton-Norwich Products, Inc., Lease, due and payable on or before January 15, 1998, in installments as hereinafter provided, and to interest on the amount of unpaid principal from time to time due and owing pursuant to this Trust Certificate at the rate of 11.40% per annum. Interest on this Trust Certificate shall be calculated on the basis of a 360-day year of 12 30-day months.

This Trust Certificate shall be payable as follows: interest only shall be payable on the principal amount of this Trust Certificate on July 15, 1980; thereafter, principal and interest payments shall be made in 35 consecutive semiannual installments on January 15 and July 15 in each year commencing January 15, 1981, calculated so that the amount of principal and interest payable on each such date shall be substantially in proportion to the amount of principal and interest set forth in respect of such date in Schedule C to the Agreement and such installments of principal shall completely amortize the principal amount of this Trust Certificate.

Interest on any overdue principal and interest, to the extent legally enforceable, shall be payable at the rate of 12.40% per annum. Payments of principal and interest shall be made by the Trustee to the registered holder hereof at the Corporate Trust Office of the Trustee at 79 South Main Street, Salt Lake City, Utah 84111 (the "Corporate Trust Office"), in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. Each of such payments shall be made only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. Except as provided in Sections 3.01 and 4.06 of the Agreement, prepayments of installments of the principal amount of this Trust Certificate may not be made.

This Trust Certificate is one of an authorized issue of Trust Certificates in an aggregate principal amount not exceeding U.S.\$4,094,250 and issued or to be issued under the Agreement. Reference is made to the Agreement (a copy of which is on file with the Trustee at the Corporate Trust Office) for a more complete statement of the terms and provisions thereof, including the rights, obligations and limitations of liabilities of the parties thereto, to all of which the registered holder hereof, by accepting this Trust Certificate, assents.

The transfer of this Trust Certificate is registerable in whole or in part by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at the Corporate Trust Office of this Trust Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new Trust Certificate or

Certificates for the then unpaid aggregate principal amount hereof will be issued to the transferee in exchange herefor and, if less than the then entire unpaid principal amount hereof is transferred, a balance piece therefor will be issued to the transferor. Prior to due presentment for registration of transfer, the Trustee may deem and treat the person in whose name this Trust Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes and shall not be affected by any notice to the contrary.

In case of the happening of an Event of Default (as defined in the Agreement) all installments of principal (and interest accrued thereon) represented by this Trust Certificate may become or be declared due and payable in the manner and with the effect provided in the Agreement.

As more fully set forth in Section 4.03 of the Agreement, the liability of the Owner-Trustee under the Agreement shall not exceed an amount equal to the income and proceeds from the Trust Equipment.

The provisions of this Trust Certificate and all the rights and obligations arising hereunder shall be governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the Trustee has caused this Trust Certificate to be signed by one of its Authorized Officers, by his signature or a facsimile thereof, and its seal or a facsimile thereof to be hereunto affixed or hereon imprinted and to be attested by one of its Authorized Officers by his signature.

Dated as of

FIRST SECURITY BANK OF UTAH,
National Association, as Trustee,

[Seal]

by

Attest:

Authorized Officer

Authorized Officer

FOR VALUE RECEIVED, the undersigned hereby sells,
assigns and transfers unto

Please insert Social Security
or other identifying number
of Assignee

_____

_____

the within Equipment Trust Certificate, Due January 15, 1998,
Secured by Morton-Norwich Products, Inc., Lease, and does
hereby irrevocably constitute and appoint

.....

attorney to transfer the said Trust Certificate on the books
of the within named Trustee, with full power of substitution
in the premises.

Dated

SCHEDULE C

Payments Required Per \$1,000,000
Aggregate Principal Amount

<u>Date</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Remaining Principal Balance</u>
	\$	\$	\$	\$
7/15/80	*	*	0.00	1,000,000.00
1/15/81	66,532.07	57,000.00	9,532.07	990,467.93
7/15/81	66,532.07	56,456.67	10,075.40	980,392.53
1/15/82	66,532.07	55,882.37	10,649.70	969,742.83
7/15/82	66,532.07	55,275.34	11,256.73	958,486.10
1/15/83	66,532.07	54,633.70	11,898.37	946,587.73
7/15/83	66,532.07	53,955.50	12,576.57	934,011.16
1/15/84	66,532.07	53,238.63	13,293.44	920,717.12
7/15/84	66,532.07	52,480.91	14,051.16	906,666.56
1/15/85	66,532.07	51,679.99	14,852.08	891,814.48
7/15/85	66,532.07	50,833.42	15,698.65	876,115.83
1/15/86	66,532.07	49,938.60	16,593.47	859,522.36
7/15/86	66,532.07	48,992.77	17,539.30	841,983.06
1/15/87	66,532.07	47,993.03	18,539.04	823,444.02
7/15/87	66,532.07	46,936.31	19,595.76	803,848.26
1/15/88	66,532.07	45,819.35	20,712.72	783,135.54
7/15/88	66,532.07	44,638.72	21,893.35	761,242.19
1/15/89	66,532.07	43,390.80	23,141.27	738,100.92
7/15/89	66,532.07	42,071.75	24,460.32	713,640.60
1/15/90	67,547.16	40,677.51	26,869.65	686,770.95
7/15/90	67,547.16	39,145.94	28,401.22	658,369.73
1/15/91	67,547.16	37,527.07	30,020.09	628,349.64
7/15/91	67,547.16	35,816.93	31,731.23	596,618.41
1/15/92	67,547.16	34,007.25	33,539.91	563,078.50
7/15/92	67,547.16	32,095.47	35,451.69	527,626.81
1/15/93	67,547.16	30,074.73	37,472.43	490,154.38
7/15/93	67,547.16	27,038.80	39,608.36	450,546.02
1/15/94	67,547.16	25,681.12	41,866.04	408,679.98
7/15/94	67,547.16	23,294.76	44,252.40	364,427.58
1/15/95	67,547.16	20,772.37	46,774.79	317,652.79
7/15/95	67,547.16	18,106.21	49,440.95	268,211.84
1/15/96	67,547.16	15,288.07	52,259.09	215,952.75
7/15/96	67,547.16	12,309.31	55,237.85	160,714.90
1/15/97	67,547.16	9,160.75	58,386.41	102,328.49
7/15/97	67,547.16	5,832.72	61,714.44	40,614.05
1/15/98	42,929.05	2,315.00	40,614.05	0.00
Total			<u>1,000,000.00</u>	

* Interest at the rate of 11.40% per annum from and including the Closing Date to July 15, 1980.

Annex I to the
Equipment Trust Agreement

[CS&M Ref. 5325-005]

LEASE OF RAILROAD EQUIPMENT

Dated as of February 1, 1980

Between

MORTON-NORWICH PRODUCTS, INC.,
Lessee,

and

FIRST SECURITY STATE BANK,
Owner-Trustee.

LEASE OF RAILROAD EQUIPMENT, dated as of February 1, 1980, between MORTON-NORWICH PRODUCTS, INC., a Delaware corporation (the "Lessee"), and FIRST SECURITY STATE BANK, a Utah corporation (the "Owner-Trustee"), acting not in its individual capacity but solely as Owner-Trustee under a Trust Agreement dated as of January 8, 1980 (the "Trust Agreement"), with Westinghouse Credit Corporation and Suburban Trust Company (the "Owners" and severally an "Owner").

The Lessee, the Owners, the Owner-Trustee and the State of Wisconsin Investment Board (the "Purchaser") are entering into a Participation Agreement (the "Participation Agreement") dated as of the date hereof.

Brae Corporation ("Brae") is assigning to the Owner-Trustee pursuant to a Purchase Order Assignment (the "Purchase Order Assignment"), substantially in the form attached to the Participation Agreement as Exhibit A, Brae's rights under a certain Purchase Agreement (the "Manufacturing Agreement") with Marine Industries Limitee (the "Builder") to purchase and take delivery of those units of railroad equipment described in Schedule A hereto (the "Equipment").

The Lessee desires to lease from the Owner-Trustee all the units of the Equipment, or such lesser number of units as are delivered and accepted under the Purchase Order Assignment, at the rentals and for the term and upon the conditions hereinafter provided (each such unit being hereinafter called a "Unit").

The Owner-Trustee is entering into an Equipment Trust Agreement (the "Security Document") with First Security Bank of Utah, National Association (the "Trustee"), pursuant to which equipment trust certificates (the "Trust Certificates") will be issued and sold to finance a portion of the purchase price of the Equipment, and the Owner-Trustee will be obligated to make payments equal to the principal of and interest on the Trust Certificates out of the rentals received hereunder and security title and interest in the Units will be conveyed to the Trustee until the Owner-Trustee fulfills all its obligations under the Security Document.

The Owner-Trustee will assign this Lease to the

Trustee pursuant to an Assignment of Lease and Agreement (the "Lease Assignment"), substantially in the form attached to the Security Document as Annex II, and the Lessee will consent to the Lease Assignment pursuant to a Consent and Agreement (the "Consent").

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

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

to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Owner-Trustee, either Owner, any holder of the Trust Certificates or the Trustee for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Owner-Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Purchase Order Assignment. Each delivery of a Unit to the Owner-Trustee under the Purchase Order Assignment shall be deemed to be a delivery hereunder to the Lessee at the point or points designated by the Lessee at which such Unit is delivered to the Owner-Trustee under the Purchase Order Assignment. Upon such delivery, the Lessee will cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Owner-Trustee under the Purchase Order Assignment, on behalf of the Trustee under the Security Document and on behalf of itself hereunder, and execute and deliver to the Owner-Trustee and the Trustee a certificate of acceptance (the "Certificate of Acceptance") substantially in the form attached hereto in Schedule C, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee, the Owner-Trustee and the Trustee, and shall be subject thereafter to all the terms and conditions of this Lease and the Security Document. The Lessee hereby represents and warrants to the Owner-Trustee that no Unit shall be put into service earlier than the date of its delivery to and acceptance by the Lessee as agent for the Owner-Trustee hereunder.

§ 3. Rentals. The Lessee agrees to pay to the Owner-Trustee, as rental for each Unit subject to this Lease, 36 consecutive semiannual payments payable in arrears on January 15 and July 15 in each year commencing January 15, 1981, to and including July 15, 1998. The first 18 semiannual rental payments shall each be in an amount equal to 5.28930% of the Purchase Price (as defined in the Participation Agreement) of each Unit and the subsequent 18 semiannual rental payments shall each be in an amount equal to 6.46470% of the Purchase Price of each Unit.

If any of the rental payment dates referred to above is not a Business Day (as defined in the Security

Document), the rental payment otherwise payable on such date shall then be payable on the next succeeding Business Day.

For so long as the Security Document shall remain in effect, the Owner-Trustee irrevocably instructs the Lessee to make all the payments due the Owner-Trustee provided for in this Lease, other than amounts payable directly to the Owner-Trustee pursuant to § 6 or § 9 hereof, to the Trustee, for the account of the Owner-Trustee, in care of the Trustee, with instructions to the Trustee (a) first to apply such payments to satisfy the obligations of the Owner-Trustee under the Security Document due and payable on the date such payments are due and payable hereunder and (b) second, so long as no Event of Default (or event which, with notice or lapse of time or both, could constitute an Event of Default) under the Security Document shall have occurred and be continuing, to pay any balance promptly to the Owner-Trustee in immediately available funds at such address as the Owner-Trustee shall specify in writing.

The Lessee agrees to make each payment contemplated by this § 3 in immediately available funds at or prior to 10:00 a.m., Salt Lake City time, at the Corporate Trust Office (as defined in the Security Document) on the date due, or if the Security Document shall no longer be in effect, at the office of the Owner-Trustee.

§ 4. Term of Lease. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on July 15, 1998. The obligations of the Lessee hereunder (including, but not limited to, the obligations under §§ 3, 6, 7, 9 and 14 hereof) shall survive the expiration of the term of this Lease or the termination or rescission of this Lease.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Trustee under the Security Document, and, if an Event of Default should occur under the Security Document, the Trustee may terminate this Lease (or rescind its termination), all as provided therein; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment,

this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment provided under § 12 hereof.

§ 5. Identification Marks. The Lessee will cause each Unit to be kept numbered with the identification number set forth in Schedule A hereto, and will keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", with appropriate changes thereof as from time to time may be required by law, in the reasonable opinion of the Trustee and the Owner-Trustee, in order to protect the Trustee's and the Owner-Trustee's title to and interest in such Unit and the rights of Trustee under the Security Document. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked and will replace promptly any such markings which may be removed, defaced, obliterated or destroyed. The Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Trustee and the Owner-Trustee and duly filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Document shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Trustee and the Owner-Trustee an Opinion of Counsel (as defined in the Security Document) to the effect that such statement has been so filed and deposited, that such filing, recording and deposit will protect the Trustee's and the Owner-Trustee's rights in such Units and that no other filing, recording, deposit or giving of notice with or to any Federal, state or local government or agency thereof is necessary to protect the rights of the Trustee and the Owner-Trustee in such Units.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

§ 6. Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Lessee agrees

to pay, and to indemnify and hold the Owner-Trustee, the Owners, the Trustee, the holders of Trust Certificates and the respective estates held in trust by the Owner-Trustee under the Trust Agreement and by the Trustee under the Security Document harmless from all taxes (income, gross receipts, franchise, sales, use, property [real or personal, tangible or intangible] and stamp taxes), assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner-Trustee, either Owner, the Trustee, the holders of Trust Certificates, the Lessee, the trust estates created by the Trust Agreement and the Security Document, the Builder or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the manufacture, purchase, ownership, delivery, leasing, subleasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom or value added thereto; this Lease, the Lease Assignment, the Consent, the Trust Agreement, the Participation Agreement, the Security Document, the Manufacturing Agreement, the Purchase Order Assignment, the Trust Certificates or the issuance thereof under the Security Document, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to property held in trust by the Owner-Trustee under the Trust Agreement or by the Trustee under the Security Document (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is currently allowed a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Owner-Trustee (in its individual capacity), either Owner, the holders of Trust Certificates or the Trustee (in its individual capacity) or franchise taxes measured by the net income of the Owner-Trustee, either Owner, the holders of Trust Certificate or the Trustee, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease or the Participation Agreement; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition by either Owner or any transfer or disposition by either Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the

Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Lease without the consent of the Lessee, unless, in each case, such transfer or disposition is required or contemplated by this Lease or an Event of Default shall have occurred and be continuing; and (iii) any Taxes imposed on or measured by any trustee fees received by the Owner-Trustee or the Trustee; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the fourth paragraph of this § 6. The Lessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the net income of the Lessee (or the affiliated group, within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended, of which the Lessee is a member) under the laws of the United States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof which, if unpaid, might result in a lien or other encumbrance upon any Unit; provided, however, that the Lessee shall not be required to pay any such tax during the period it may be contesting the same.

In the event that the Owner-Trustee shall become obligated to make any payment to the Trustee or otherwise pursuant to any corresponding provision of the Security Document not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed Taxes hereunder) to the Owner-Trustee to fulfill completely its obligations pursuant to said provision.

The amount which the Lessee shall be required to pay with respect to any Taxes indemnified against pursuant to this § 6 shall be an amount sufficient to restore the indemnified party to the same position such indemnified party would have been in had such Taxes not been imposed.

If claim is made against any indemnified party for any Taxes indemnified against under this § 6, such party shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, such indemnified party shall, upon receipt of indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the

same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Lessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of such indemnified party; provided, however, that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of such indemnified party in any such proceeding or action) without the prior written consent of such indemnified party, which consent may not be unreasonably withheld. If such indemnified party shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by the Lessee and the period of such payment, such indemnified party shall pay to the Lessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which, with notice or lapse of time or both, would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any Taxes, the Lessee shall either make such report or return in such manner as will show the interests of the Owner-Trustee and the Trustee in the Units, or shall promptly notify the Owner-Trustee, the Owners and the Trustee of such requirement and shall make such report or return in such manner as shall be satisfactory to the Owner-Trustee, the Trustee and the Owners. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee.

All the obligations of the Lessee under this § 6 shall survive and continue, but only with respect to periods included in the term of this Lease, notwithstanding payment in full of all amounts due under the Security Document or the termination of this Lease. All amounts payable by the Lessee pursuant to this § 6 shall be payable directly to the indemnified party entitled to indemnification, except to the extent paid to a governmental agency or taxing authority. The foregoing indemnities by the Lessee shall not constitute a guaranty by the Lessee of the payment of any installments of principal or interest payable under the Trust Certificates.

The Lessee shall furnish promptly, upon request,

such information and data as is normally available to the Lessee and which the Owner-Trustee, the Trustee or an Owner reasonably may require to permit compliance with the requirements of any taxing authorities.

§ 7. Payment for Casualty Occurrences; Insurance.
In the event that any Unit shall be or become worn out (ordinary wear in salt service excepted), lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise by the United States Government for a stated period which shall exceed the then remaining term of this Lease or for an indefinite period, but only if such requisition for an indefinite period shall be in effect on the expiration date of this Lease, or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days or until the end of the term of this Lease (such occurrences being hereinafter called "Casualty Occurrences") during the term of this Lease, or during the period prior to the date such Unit shall have been returned in the manner provided in § 11 or § 14 hereof, the Lessee shall promptly and fully notify the Owner-Trustee and the Trustee with respect thereto. On the rental payment date next succeeding the delivery of such notice, the Lessee shall pay to the Owner-Trustee an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus an amount equal to the Casualty Value (as hereinafter defined) of such Unit which suffered a Casualty Occurrence as of the date of such payment in accordance with Schedule B hereto. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Owner-Trustee shall be entitled to recover possession of such Unit.

The Owner-Trustee hereby appoints the Lessee its agent to dispose of any Unit, or any component thereof, suffering a Casualty Occurrence before or after the expiration of this Lease, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Owner-Trustee and is not in default hereunder and no event then exists which after notice or lapse of time or both would become a default hereunder, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty

Value of such Unit, and shall pay any excess (less expenses of sale incurred by the Lessee in the sale of such Unit) to the Owner-Trustee.

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

Whenever any Unit shall suffer a Casualty Occurrence after the end of the term of this Lease and before such Unit shall have been returned in the manner provided in § 14 hereof, and whenever any Unit shall suffer a Casualty Occurrence while being stored as provided in § 14 hereof, the Lessee shall promptly and fully notify the Owner-Trustee with respect thereto and pay to the Owner-Trustee an amount equal to the Casualty Value of such Unit, which shall be an amount equal to 20% of the Purchase Price of such Unit. Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Owner-Trustee shall be entitled to recover possession of such Unit.

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

The Lessee will at all times prior to the return of the Units to the Owner-Trustee at its own expense cause to be carried and maintained public liability insurance with respect to third-party personal injury and property damage insurance in respect of the Units at the time subject hereto; provided, however, that the Lessee may self-insure such Units to the extent such self-insurance is consistent with prudent industry practice and in any event to the same extent as is maintained on other similar equipment, if any, owned or leased by the Lessee; provided further, however, that if, in the reasonable opinion of the Owner-Trustee or the Trustee, the Lessee's financial condition has materially and adversely changed from its condition as of September 30, 1979, so as to jeopardize Lessee's ability to self-insure the Owner-Trustee or the Trustee may by written notice require the Lessee to carry and maintain property damage insurance as provided herein. The Lessee will carry such insurance as is required hereunder in such amounts, for such risks, with such deductibles and with such insurance companies, satisfactory

to the Owner-Trustee and the Trustee and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by similar owners or lessees in respect of equipment owned or leased by it similar in nature to the Units. The proceeds of any such property damage insurance as is required hereunder shall be payable to the Owner-Trustee, the Trustee, the Owners and, so long as there is no Event of Default hereunder, the Lessee, as their respective interests may appear; and the proceeds of any such public liability insurance shall be payable to the Lessee to the extent not needed to reimburse the Trustee, the Owners and Owner-Trustee for any payments which either shall be required to make with respect to any event the occurrence of which is insured against by such public liability insurance.

Any policies of insurance required to be carried in accordance with the foregoing paragraph shall (i) require 30 days' prior notice of cancelation or material change in coverage to the Trustee, the Owners and the Owner-Trustee, (ii) name the Trustee, the Owners and the Owner-Trustee as additional named insureds as their respective interests may appear and (iii) waive any right to claim any premiums or commissions against the Owners, the Trustee and the Owner-Trustee. In the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interests of the Trustee, the Owner and the Owner-Trustee in such policies the insurance shall not require contributions from other policies held by the Trustee, the Owners or the Owner-Trustee and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee, the Owners and the Owner-Trustee, respectively) and shall insure the Trustee, the Owners and the Owner-Trustee regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee, the Owners or the Owner-Trustee, respectively).

The Lessee shall furnish or cause to be furnished to the Trustee and Owners together with each report referred to in § 8 hereof a certificate of insurance then in effect for each of the Units.

§ 8. Reports. On or before April 1 in each year, commencing with the calendar year 1981, the Lessee will furnish to the Owner-Trustee, the Owners and the Trustee an

Officer's Certificate (as defined in the Security Document) (a) setting forth as at the preceding December 31 (or as of the date of this Lease in the case of the first such Officer's Certificate) the amount, description and numbers of all Units then leased hereunder and covered by the Security Document, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Lease in the case of the first such Officer's Certificate) (specifying the dates of such Casualty Occurrences) or to the knowledge of the Lessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Owner-Trustee or the Trustee may reasonably request confirming inspection and replacement (as necessary) of the interior linings of the Units and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by § 5 hereof and the Security Document have been preserved or replaced. The Owner-Trustee shall have the right, at its own expense and risk, by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Owner-Trustee may request during the continuance of this Lease.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification. NEITHER THE OWNER-TRUSTEE NOR EITHER OWNER MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND NEITHER THE OWNER-TRUSTEE NOR EITHER OWNER MAKES ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), it being agreed that all such risks, as between the Owner-Trustee and the Lessee, are to be borne by the Lessee; but the Owner-Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the

account of the Owner-Trustee and the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Owner-Trustee may have against the Builder, including, but not limited to, any claims and rights arising under the provisions of the Manufacturing Agreement (provided, however, that the Lessee shall be entitled to reimburse itself for its out-of-pocket expenses for asserting any claim from the proceeds of such claim). The Owner-Trustee and the Owners shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Unit or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Unit or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Owner-Trustee (but not as between the Lessee and the Builder) that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Owner-Trustee based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Owner-Trustee, the Owners and the Trustee, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units to the extent that such laws and rules affect the title, operation or use of the Units (all such laws and rules to such extent being hereinafter called the "Applicable Laws") and in the event that the Applicable Laws require any alteration, replacement, modification or addition of or to any part of any Unit, the Lessee will fully conform therewith at its own expense; provided, however, that the Lessee may, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Owner-Trustee or the Trustee, adversely affect the property or rights of the Owner-Trustee or the Trustee under this Lease or under the Security Document; provided further, that the Lessee shall not be obligated to

make any such alteration, replacement, modification or addition (an "Alteration") to any Unit unless either (i) the Alteration is readily removable from such Unit without causing material damage thereto (a "Severable Alteration"), in which event the Lessee shall cause such Severable Alteration to be made as above provided and to remain affixed to such Unit during the remainder of the term of this Lease, but such Severable Alteration shall otherwise be subject to the provisions of the fourth paragraph of this § 9, and to the provisions of the first paragraph of § 14 hereof, or (ii) such Alteration is not a Severable Alteration (a "Non-Severable Alteration") and such Non-Severable Alteration complies with one or both of the following conditions:

(A) the Non-Severable Alteration is furnished by the Lessee in order to comply with any health, safety or environmental standards of any government or governmental authority having relevant jurisdiction, or

(B) the Non-Severable Alteration does not increase either the productivity or the capacity of such Unit by more than 25% over its productivity or capacity when first placed in service and does not modify such Unit for a materially different use (provided that in any event a Non-Severable Alteration will be regarded as complying with this clause (B) as to increases in productivity or capacity if the actual cost thereof when added to the actual cost of all previous Non-Severable Alterations to such Unit made by the Lessee hereunder [other than those described in the foregoing clause (ii)(A)] does not exceed 10% of the Total Cost of such Unit, calculated with appropriate price adjustments as set forth in Internal Revenue Service Procedure 79-48).

The Lessee, at its own cost and expense, will maintain and keep each Unit (including any accession thereto as hereinbelow provided) which is subject to this Lease in as good condition as when delivered to the Lessee hereunder, ordinary wear and tear in salt service excepted (provided, however that the Lessee will regularly inspect and replace as necessary the interior linings of the Units), in accordance with the Interchange Rules of the American Association of Railroads and in the same condition as other similar Equipment owned or leased by similar owners or lessees and in any event in the same condition as other similar equipment, if any, owned or leased by the Lessee.

The Lessee, at its own cost and expense, may from time to time make such other additions, modifications and

improvements to the Units during the term of this Lease as are readily removable without causing material damage to the Units and do not adversely and materially affect the value of the Units. The additions, modifications and improvements made by the Lessee under the next preceding sentence shall be owned by the Lessee (or such other party as may have title thereto), except to the extent such additions, modifications or improvements are described in the next succeeding paragraph.

Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit, (ii) the cost of which is included in the Purchase Price of such Unit, (iii) in the course of ordinary maintenance of the Units or (iv) which are required for the operation or use of such Unit by any Applicable Law, shall constitute accessions to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in the Owner-Trustee.

The Lessee shall pay, and shall protect, indemnify and hold the Owner-Trustee, the Owners, the holders of Trust Certificates and the Trustee, and their respective successors, assigns, agents and servants (the "Indemnified Persons"), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising or alleged to arise out of this Lease or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, sublease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent or other defects whether or not discoverable by any Indemnified Person or the Lessee; (iii) any claim for patent, trademark or copyright infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or

of any other equipment in connection with the Units (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Lease (except by the Owner-Trustee) or of any agreement, law, rule, regulation, ordinance or restriction affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof; (vii) any claim arising out of any of the Owner-Trustee's obligations under the Lease Assignment, the Security Document or the Participation Agreement; or (viii) any claim arising out of the Trustee's holding a security interest under the Security Document or the Lease Assignment excluding, however, with respect to an Indemnified Person any matter resulting from an act or omission of the Indemnified Person which would constitute the wilful misconduct or gross negligence of such Indemnified Person (all of which matters indemnified against pursuant to the above being hereafter called the "Indemnified Matters"). All payments hereunder shall be made directly to the Indemnified Person. The Lessee shall be obligated under this § 9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same Indemnified Matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this § 9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this § 9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person),

shall be equal to the amount of such payment. The Lessee and the Owner-Trustee each agrees to give each other promptly upon obtaining knowledge thereof written notice of any Indemnified Matter. Upon the payment in full of any indemnities as contained in this § 9 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments or related expenses previously made in respect of such matter.

The indemnities contained in this § 9 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by any Indemnified Person. None of the indemnities in this § 9 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Lessee agrees at its expense to prepare and deliver to the Owner-Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Owner-Trustee) any and all reports (other than income tax returns) to be filed by the Owner-Trustee with any Federal, state or other regulatory authority by reason of the ownership by the Owner-Trustee or the Trustee of the Units or the leasing thereof to the Lessee.

The indemnities arising under this § 9 shall not be deemed to operate as a guarantee of the residual value of the Units or as a guarantee of the payment of the principal of or interest on the Trust Certificates.

§ 10. Default. If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an Event of Default) shall occur:

A. default shall be made in payment of any amount

provided for in § 3 or § 7 hereof or in Paragraph 10 of the Participation Agreement and such default shall continue for five business days; or

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest therein, or of the right to possession of any of the Units; or

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

D. any representation of the Lessee made in the Participation Agreement or pursuant thereto shall prove to have been false in any material respect when made; or

E. any proceeding shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee hereunder and under the Consent shall not have been and shall not continue to have been duly assumed in writing pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee, or for its property in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced; or

F. an Event of Default set forth in Article Five of the Security Document shall have occurred arising out of any default by the Lessee in performing any of its obligations hereunder or under the Participation Agreement;

then, in any such case, the Owner-Trustee, at its option, may,

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

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Owner-Trustee may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be located, without judicial process if this can be done without breach of the peace, and take possession of all or any of the Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee or its successors or assigns to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Owner-Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Owner-Trustee, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (2) the then present value of the rentals which the Owner-Trustee reasonably estimates to be

obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 8% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Owner-Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of the rental; or (y) an amount with respect to each Unit equal to the excess, if any, of the Casualty Value thereof as of the rental payment date on or next preceding the date of termination over the amount the Owners reasonably estimate to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time; provided, however, that in the event the Owner-Trustee shall have sold any Unit, the Owner-Trustee, in lieu of collecting any amounts payable to the Owner-Trustee by the Lessee pursuant to clause (x) or clause (y) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Owner-Trustee and the Lessee shall pay to the Owner-Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale.

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

The remedies in this Lease provided in favor of the Owners and the Owner-Trustee shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity. The Lessee hereby waives any requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is

permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Owner-Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Owner-Trustee.

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

§ 11. Return of Units upon Default. If this Lease shall terminate pursuant to § 10 hereof or the Security Document, the Lessee shall forthwith deliver possession of the Units to the Owner-Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear in salt service excepted, shall meet the standards of all Applicable Laws and shall have attached any accession thereto as provided in § 9 and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in § 9, is owned by the Lessee. For the purpose of delivering possession of any Unit or Units as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic

and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been interchanged or which may have possession thereof to return the Unit or Units) and at the usual speed place such Units upon such storage tracks selected by Lessee and reasonably acceptable to the Owner-Trustee;

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

(c) transport the same to any place on the lines of a railroad selected by Lessee and reasonably acceptable to the Owner-Trustee, all as directed by the Owner-Trustee.

The performance of the foregoing covenant is of the essence of this Lease and upon application to any court having jurisdiction in the premises, the Owner-Trustee shall be entitled to a decree against the Lessee, requiring the specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Units in good order and repair and will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Owner-Trustee and, if received by the Lessee, shall be promptly turned over to the Owner-Trustee. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Owner-Trustee for each day thereafter an amount equal to the amount, if any, by which .035915% of the Purchase Price of such Unit exceeds the actual earnings received by the Owner-Trustee with respect to such Unit for each such day.

For the purpose of this § 11, without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 11, the Lessee hereby irrevocably appoints the Owner-Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Owner-Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever

shall be in possession of such Unit at the time.

§ 12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Owner-Trustee without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Owner-Trustee other than the Trustee except upon written notice of such assignment from the Owner-Trustee. All the rights of the Owner-Trustee hereunder (including, but not limited to, the rights under §§ 6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Owners and the Owners' and the Owner-Trustee's assigns.

So long as (i) no Event of Default, or an event which with notice or lapse of time or both could constitute an Event of Default, exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Trustee is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lessee shall be entitled to the possession and use of the Units upon lines of railroad owned or operated by it or upon lines of railroad over which the Lessee has trackage or other operating right or over which railroad equipment of the Lessee is regularly operated pursuant to contract or tariff provisions and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to assign its rights to, or to sublease any Unit, but only upon and subject to all the terms and conditions of this Lease and the revenues derived by virtue of the use, operation, assignment or sublease of any Unit during the term of this Lease, including without limitation, demurrage and like charges, shall be for the benefit of the Lessee; provided, however, that no such assignment or sublease shall be permitted hereunder unless the rights of the assignee or the sublessee are expressly subject and subordinate to the rights of the Owner-Trustee and the Trustee hereunder and under the Security Document; provided further, however, that the Lessee shall not permit the use of any Unit outside the United States of America, except for de minimus use in Canada. No such assignment, sublease or permitted use shall relieve the Lessee of any of the obligations, liabilities or duties hereunder, which shall be and remain those of a principal and not a surety.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (except any

sublease relating to the use of the Units and other than an encumbrance resulting from claims against the Owner-Trustee or the Trustee not related to the ownership or leasing of, or the security interest of the Trustee in, the Units) which may at any time be imposed on or with respect to any Unit including any accession thereto pursuant to § 9 hereof or the interest of the Owner-Trustee, the Trustee or the Lessee therein.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have specifically assumed the obligations of the Lessee hereunder, under the Participation Agreement and under the Consent by an appropriate instrument in writing) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease, the Participation Agreement or the Consent.

§ 13. Renewal Options and Right of First Refusal. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Owner-Trustee not less than eight months prior to the end of the original term or any extended term, as the case may be, of this Lease, elect to extend the term of this Lease in respect of Units then covered by this Lease, for one or two additional three-year periods commencing on the scheduled expiration of the original term or any extended term, as the case may be, of this Lease, at a "Fair Market Rental" payable in semiannual payments on the semiannual anniversaries of the expiration of the original term of this Lease; provided, however, that no such extended term shall extend beyond July 15, 2004.

Fair Market Rental shall be determined for each extended term of this Lease on the basis of, and shall be equal in amount to, the rental which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the

location of current use shall not be a deduction from such rental. If, after 50 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Owner-Trustee and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, such rental shall be determined in accordance with the foregoing definition by the following procedure (unless the Lessee shall by notice in writing rescind its extension notice on or before the commencement of such procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 days after such notice is given, each party shall appoint an independent appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 35 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 90 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Owner-Trustee.

Provided that this Lease has not been earlier

terminated and the Lessee is not in default hereunder, in the event the Owner-Trustee elects to sell any Units to third parties at the expiration of the original or any extended term of this Lease, the Lessee shall be given written notice of such intention prior to the expiration of the term of this Lease. In the event that the Owner-Trustee shall receive, prior to the end of the then term of this Lease, a bona fide offer in writing from another party to purchase the Units and the Owner-Trustee elects to sell the Units pursuant to such offer at the expiration of the term of this Lease, the Owner-Trustee shall give written notice to the Lessee of such offer. Such notice shall be given to the Lessee on or prior to the end of the then term of this Lease, and shall include the price offered by the other party in writing to the Owner-Trustee. The Lessee shall have the sole right and option, for a period of 10 business days from the date of receipt of such notice, to elect to purchase the Units for cash at the price at which the Units are proposed to be sold. The Lessee shall exercise such purchase right by delivery to the Owner-Trustee of a written notice specifying a date of purchase, which date shall not be later than the later of (i) 15 days after the date of delivery of such notice by the Lessee to the Owner-Trustee or (ii) the end of the then term of this Lease.

§ 14. Return of Units upon Expiration of Term. As soon as practicable on or after the termination of the original term or any extended term of this Lease and in any event not later than 90 days after the termination of the original term or any extended term of this Lease, with respect to Units not purchased by the Lessee, the Lessee will, at its own cost and expense, cause each such Unit to be transported to such point or points as shall be reasonably designated by the Lessee with the approval of the Owner-Trustee, which shall not be unreasonably withheld, and will arrange for the storage of such Units at such point for a period not exceeding 90 days from the date at which at least 90% of such Units are first placed in storage pursuant to this § 14, the assembly, delivery, storage and transporting of such Units to be at the expense and risk (except as set forth in the next succeeding sentence) of the Lessee. Upon notice of storage of at least 90% of the Units, the Owner-Trustee will be responsible for risk of loss and liability with respect to each Unit delivered to such storage tracks from the date upon which at least 90% of the Units are first placed in storage pursuant to this § 14. During any such storage period the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of any such Unit, to inspect the same. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the

Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Owner-Trustee pursuant to this § 14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear in salt service excepted, (ii) have attached or affixed thereto any accession title to which is in the Owner-Trustee pursuant to § 9 hereof and have removed therefrom at Lessee's expense any addition, modification or improvement title to which is in the Lessee or any other person pursuant to § 9 and (iii) meet the applicable standards then in effect under all Applicable Laws.

In connection with the Owner-Trustee's sale of the Units so returned, the Owner-Trustee may warrant to a purchaser of such Units that such Units are owned by the Owner-Trustee free and clear of all liens, encumbrances, and rights of others, and the Lessee shall hold the Owner-Trustee harmless from and against any liability arising by virtue of said warranty other than for liability arising by virtue of liens against the Owner-Trustee not related to the ownership or leasing of the Units.

If any Unit suffers a Casualty Occurrence during any storage period provided for in this § 14, the Lessee shall pay to the Owner-Trustee the Casualty Value of such Unit as determined in accordance with § 7 hereof. All gross amounts earned in respect of any Unit shall, from and after the termination of this Lease as to such Unit, belong to and be the property of the Owner-Trustee. In the event that by the 90th day after the termination of this Lease with respect to any Units the Lessee has not, at the request of the Owner-Trustee, caused at least 90% of such Units to be transported to such point or points as provided in this § 14, the Lessee shall pay to the Owner-Trustee the per diem interchange multiplied by the number of Units equal to the difference between 90% of such Units and the number of Units previously delivered pursuant to this § 14 (such number to be determined on each day) for each day from such 90th day to the date on which at least 90% of the Units have been so transported. If, after the termination of the 90-day storage period provided in this § 14, any Units shall not have been so transported, the Lessee shall pay to the Owner-Trustee the per diem interchange for each Unit not so transported for each day after the end of such

storage period until each Unit has been so transported.

§ 15. Recording. The Owner-Trustee, at its sole cost and expense, will cause this Lease, the Security Document and the Lease Assignment and any assignment hereof or thereof to be duly filed and recorded in accordance with 49 U.S.C. § 11303. The Owner-Trustee will, at its sole cost and expense, undertake the filing, registering, deposit, and recording required of the Owner-Trustee under the Security Document and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Trustee for the purpose of proper protection, to its satisfaction, of the Owner-Trustee's and the Trustee's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Security Document and the Lease Assignment.

The Owner-Trustee will promptly furnish to the Trustee evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel with respect thereto satisfactory to the Trustee.

§ 16. Owner-Trustee's Right To Perform for the Lessee. If the Lessee fails to perform or comply with any of its agreements contained herein, the Owner-Trustee may upon notice to the Lessee itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of the Owner-Trustee incurred in connection with such performance or compliance, together with interest on such amount at the rate of 12.40% per annum or such lesser amount as shall be legally enforceable, shall be payable by the Lessee upon demand.

§ 17. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate of 12.40% per annum on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

§ 18. Notices. Any notice required or permitted to be given by either party hereto to the other shall be

deemed to have been given when delivered to such other party or deposited in the United States mails, first class postage prepaid, addressed as follows:

if to the Owner-Trustee, at 79 South Main Street, Salt Lake City, Utah 84111, attention of Trust Division, Corporate Trust Department, with copies to Westinghouse Credit Corporation, Three Gateway Center, Pittsburgh, Pennsylvania 15222, attention of Manager-Lease Operations, and to Suburban Trust Company, 6495 New Hampshire Avenue, Hyattsville, Maryland 20783;

if to the Lessee, at Morton-Norwich Products, Inc. (Morton Salt Division), 110 North Wacker Drive, Chicago, Illinois 60606, attention of General Transportation Manager;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above for such party. Any notice to the Lessee by the Trustee or the holders of the Trust Certificates regarding the Lessee's failure to perform any obligation hereunder shall also be furnished by the Lessee to the Owner-Trustee.

§ 19. No Recourse. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Owner-Trustee are each and every one of them made and intended not as personal representations, undertakings and agreements by First Security State Bank, or for the purpose or with the intention of binding First Security State Bank personally but are made and intended for the purpose of binding only the Trust Estate (as defined in the Trust Agreement) and this Lease is executed and delivered by First Security State Bank solely in the exercise of the powers expressly conferred upon it under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against First Security State Bank or on account of any representation, undertaking or agreement of First Security State Bank, as Owner-Trustee either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by,

through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder, may look to said Trust Estate for satisfaction of the same.

§ 20. Severability; Effect and Modification of Lease. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

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

§ 21. Execution. This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Trustee shall be deemed to be the original counterpart. It shall not be necessary that any counterpart be signed by both the parties hereto so long as each party hereto shall have executed and delivered one counterpart hereof to the other party. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 22. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

§ 23. Import Duties. The parties acknowledge that the Purchase Price of the Units paid by the Owner-Trustee includes duty imposed by the United States. In the event that by reason of change in law or otherwise, the United States refunds to the Owner-Trustee all or any portion of

the import duty paid as part of the Purchase Price of the Units, the Owner-Trustee agrees to pay over to the Lessee such refund; provided, however, that if as a result of the agreement of the parties set forth in this § 23 or such refund and payment either or both Owners shall lose, or shall not have, or shall lose the right to claim or shall suffer a disallowance of or shall be required to recapture all or any part of the Tax Benefits (as defined in the Participation Agreement), Lessee shall adjust the installments of rentals hereunder in accordance with Paragraph 10(b) of the Participation Agreement.

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

MORTON-NORWICH PRODUCTS, INC.,

by

[CORPORATE SEAL]

Attest:

FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner-Trustee,

by

Authorized Officer

[SEAL]

Attest:

Authorized Officer

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

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of 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]

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of First Security State Bank, that one of the seals affixed to the foregoing instrument is the seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its By-laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Notary Public

[Notarial Seal]

SCHEDULE A

<u>Manufacturer</u>	<u>Trust Equipment Description</u>	<u>Units of Trust Equipment</u>	<u>Road Numbers (incl.)</u>
Marine Industrie Limitee	100-ton, 3,500 cu. ft., 3 compartment covered hopper cars built in conformity with Manufacturer's General Arrangement drawing No. 9-14274, Rev. A dated 2/8/79, and Specification No. 390 dated 10/79	100	MNPX 2001 through MNPX 2100

SCHEDULE B

Casualty Values

<u>Payment Date</u>	<u>Percentage</u>
7/15/80	109.3220
1/15/81	110.8566
7/15/81	112.2557
1/15/82	112.8544
7/15/82	113.4905
1/15/83	113.8597
7/15/83	114.0051
1/15/84	113.8952
7/15/84	113.5679
1/15/85	112.9987
7/15/85	112.2203
1/15/86	111.2148
7/15/86	110.0102
1/15/87	108.5977
7/15/87	107.0399
1/15/88	105.3932
7/15/88	103.6527
1/15/89	101.8130
7/15/89	99.8684
1/15/90	96.6375
7/15/90	93.2849
1/15/91	89.8036
7/15/91	86.1863
1/15/92	82.4252
7/15/92	78.5120
1/15/93	74.4383
7/15/93	70.1947
1/15/94	65.7717
7/15/94	65.1717
1/15/94	56.4286
7/15/95	51.5656
1/15/96	46.6401
7/15/96	41.6145
1/15/97	36.5408
7/15/97	31.3787
1/15/98	26.1870
7/15/98	20.0000

SCHEDULE C

Certificate of Acceptance

I, _____, a duly authorized representative of FIRST SECURITY STATE BANK, as Owner-Trustee under a Trust Agreement dated as of February 1, 1980 (the "Owner-Trustee"), of MORTON-NORWICH PRODUCTS, INC. (the "Lessee"), and of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, as Trustee under an Equipment Trust Agreement dated as of February 1, 1980 (the "Trustee"), do hereby certify that I have inspected, received, approved and accepted, on behalf of the Owner-Trustee, the Lessee and the Trustee, under the Purchase Order Assignment dated as of February 1, 1980, among Brae Corporation, the Owner-Trustee, and Marine Industrie Limitee, under the Lease of Railroad Equipment dated as of February 1, 1980, between the Owner-Trustee and the Lessee and under the aforesaid Equipment Trust Agreement, the following units of equipment (the "Equipment"):

DESCRIPTION OF EQUIPMENT:	100-ton, 3,500 cu., ft. 3 compartment covered hopper cars built in conformity with Builder's General Arrangement drawing No. 9-14274 Rev. A dated 2/8/79, and Specification No. 390 dated 10/79
------------------------------	---

BUILDER: Marine Industrie Limitee

DATE ACCEPTED: _____, 1980

ROAD NUMBERS:

I do further certify that the Equipment is in good order and condition and conforms to the above-listed description, and at the time of delivery to the Owner-Trustee, the Lessee and the Trustee each unit of the Equipment was marked with its respective road number and there was plainly, distinctly, permanently and conspicuously marked upon each side of each unit of the Equipment the following legend in letters not less than one inch in height, in all caps:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED WITH THE INTERSTATE COMMERCE COMMISSION.

I do further certify, on behalf of the Lessee, that none of the units of Equipment was placed in service by the Lessee or any other person prior to its delivery and acceptance hereunder.

The execution of this Certificate will in no way relieve or decrease the responsibility of the Builder of the Equipment for warranties it has made with respect to the Equipment.

Authorized Representative of
First Security State Bank, as
Owner-Trustee,
and of
Morton-Norwich Products, Inc.
and of
First Security State Bank of
Utah, National Association,
as Trustee

ANNEX II
to the
Equipment Trust Agreement

[CS&M Ref. 5325-005]

ASSIGNMENT OF LEASE
AND AGREEMENT

Between

FIRST SECURITY STATE BANK,
Owner-Trustee

and

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION,
Trustee

Dated as of February 1, 1980

ASSIGNMENT OF LEASE AND AGREEMENT dated as of February 1, 1980 (this "Assignment"), by and between FIRST SECURITY STATE BANK, a Utah corporation (the "Owner Trustee"), not in its individual capacity but solely as Owner-Trustee under a Trust Agreement dated as of January 8, 1980 (the "Trust Agreement"), with Westinghouse Credit Corporation and Suburban Trust Company (the "Owner" and severally an "Owner"), and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION (the "Trustee"), not in its individual capacity but solely as Trustee.

The Owner-Trustee and the Trustee have entered into an Equipment Trust Agreement dated as of the date hereof (the "Security Document").

The Owner-Trustee and Morton-Norwich Products, Inc. (the "Lessee"), have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease"), providing for the leasing by the Owner-Trustee to the Lessee of certain units of railroad equipment (the "Units").

In order to provide security for the obligations of the Owner-Trustee under the Security Document and as an inducement to the Purchaser referred to in the Security Document (the "Purchaser") to purchase the Equipment Trust Certificates to be issued pursuant to the Security Document, the Owner-Trustee agrees to assign for security purposes its rights in, to and under the Lease.

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Owner-Trustee hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of the Owner-Trustee's obligations under the Security Document, all the Owner-Trustee's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other

sums payable to or receivable by the Owner-Trustee from the Lessee under or pursuant to the provisions of the Lease, whether as rent, casualty payment, indemnity (except amounts which by the express terms of the Lease are payable directly to either Owner or the Owner-Trustee pursuant to § 6 or § 9 of the Lease), liquidated damages, or otherwise (such moneys being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Owner-Trustee is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner-Trustee hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of the Owner-Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Owner-Trustee is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Trustee agrees to accept any Payments made by the Lessee for the account of the Owner-Trustee pursuant to the Lease. To the extent received, the Trustee will apply such Payments first, to satisfy the obligations of the Owner-Trustee under the Security Document due and payable on the date such Payments were due and payable under the Lease, and second, so long as no Event of Default (or event which, with notice or lapse of time, or both, could constitute an Event of Default) under the Security Document shall have occurred and be continuing any remaining balance held by the Trustee hereunder shall be promptly paid to the Owner-Trustee in immediately available funds at the address of the Owner-Trustee set forth in the Lease. If the Trustee shall not receive any rental payment under the first paragraph of § 3 of the Lease or any payment of Casualty Values under § 7 of the Lease when due, the Trustee shall promptly notify the Owner-Trustee and the Lessee in writing at their respective addresses set forth in the Lease. Failure to so notify the Owner-Trustee and the Lessee shall not affect the rights and remedies of the Trustee hereunder or under the Security Document.

2. This Assignment is executed only as security for the obligations of the Owner-Trustee under the Security Document and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or in any way affect or modify the liability of the Owner-

Trustee under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner-Trustee to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Owner-Trustee or persons other than the Trustee.

3. To protect the security afforded by this Assignment, the Owner-Trustee agrees as follows:

(a) The Owner-Trustee will faithfully abide by, perform and discharge each and every obligation which the Lease provides is to be performed by the Owner-Trustee; without the written consent of the Trustee, the Owner-Trustee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder, of or from any obligation to be performed by the Lessee, including, without limitation, the obligation to make the payments in the manner and at the time and place specified therein or enter into any agreement so amending, modifying or terminating the Lease, and the Owner-Trustee agrees that any such amendment, modification or termination thereof without such consent shall be void.

(b) Should the Owner-Trustee fail to make any payment or to do any act which this Assignment requires the Owner-Trustee to make or do, then the Trustee, but without obligation so to do, after first making written demand upon the Owner-Trustee and affording the Owner-Trustee a reasonable period of time within which to make such payment or do such act, but without releasing the Owner-Trustee from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation of the Owner-Trustee contained in the Lease; and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Owner-Trustee will reimburse the Trustee for such costs, expenses and fees.

4. The Owner-Trustee does hereby constitute the Trustee the Owner-Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Owner-Trustee, or otherwise), to demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease, to which the Owner-Trustee is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Trustee may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Owner-Trustee's obligations under the Security Document, this Assignment and all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to the Owner-Trustee without further act or deed, but the Trustee shall execute and deliver such documents as the Owner-Trustee may reasonably request in order to confirm, or make clear upon public records, such termination or reversion.

6. The Owner-Trustee will, from time to time, do and perform any other act and will execute, acknowledge, and deliver any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure, the interests of the Trustee hereunder.

7. The Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder.

8. This Assignment shall be governed by and construed in accordance with the laws of the State of Utah, but the parties hereto shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Owner-Trustee shall cause copies of all notices received in connection with the Lease and all

Payments to be promptly delivered or made to the Trustee at its address set forth in Section 9.05 of the Security Document, or at such other address as the Trustee shall designate.

10. The Trustee hereby agrees with the Owner-Trustee that, so long as no Event of Default (or event which, with notice or lapse of time or both, could constitute such an Event of Default) under the Security Document shall have occurred and be continuing, the Trustee will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Owner-Trustee to the Trustee by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Document, the Owner-Trustee may, so long as no Event of Default under the Security Document has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges, and remedies arising out of subparagraph (a) of the first paragraph of § 10 of the Lease; provided, however, the Owner-Trustee shall not, without the prior written consent of the Trustee, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (b) of said § 10.

11. Each and all of the warranties, representations, undertakings and agreements herein made on the part of the Owner-Trustee are made and intended not as personal representations, undertakings and agreements by the financial institution acting as the Owner-Trustee or for the purpose or with the intention of binding said 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 Assignment is executed and delivered by the said institution solely in the exercise of the powers expressly conferred upon said institution as 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 institution, except for wilful misconduct or gross negligence, on account of any representation, undertaking or agreement herein of the Owner-Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Trustee and by all persons claiming by, through or under the Trustee; provided,

however, that the Trustee or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Trustee shall be deemed to be the original and all other counterparts shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed in their respective names, by their respective duly authorized officers, all as of the date first above written.

FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner-Trustee,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not in
its individual capacity but
solely as Trustee,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY STATE BANK, that one of the seals affixed to the foregoing instrument is the seal of said bank and that said instrument was signed and sealed on behalf of said bank 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 bank.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this day of 1980, before me personally appeared to be personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

MORTON-NORWICH PRODUCTS, INC., a Delaware corporation (the "Lessee"), the Lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Assignment"), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease, other than amounts payable to the Owner-Trustee or Owners under §§ 6 and 9 of the Lease not assigned to FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, as Trustee (the "Trustee"), pursuant to the Assignment (which moneys are hereinafter called the "Payments") due and to become due to the Owner-Trustee under the Lease or in respect of the Units leased under the Lease, directly to the Trustee, by 10:00 a.m., Salt Lake City time, on the date such payment is due in immediately available funds, to its address at 79 South Main Street, Salt Lake City, Utah 84111, attention of Trust Division, Corporate Trust Department (or to such other address as may be furnished in writing to the undersigned by the Trustee);

(2) subject to the terms and conditions of the Assignment, the Trustee shall be entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by the Lessee under the Lease as though the Trustee were named therein as the Owner-Trustee;

(3) the Trustee shall not, by virtue of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Trustee, be amended, terminated or modified, or any action be taken or omitted by the Lessee the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Trustee by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of Illinois and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of February 1, 1980

MORTON-NORWICH PRODUCTS, INC.,

by

[Corporate Seal]

Attest:

Accepted:

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not in
its individual capacity but
solely as Trustee,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer