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RECORDATION NO. 11886-E Filed 1425

2-090A004 MAR 31 1982 -10 20 AM

No. MAR 31 1982 INTERSTATE COMMERCE COMMISSION

Date.....

Fee $ 10.00

ICC Washington, D. C.

March 31, 1982

Mr. Turner
This one is
Rec No 11886-E

Supplemental Parrticipation Agreement and Amendment Dated as of March 1, 1982 Amending Conditional Sale Agreement Filed Under Recordation Number 11886 and Lease of Railroad Equipment Filed Under Recordation Number 11886-B

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 The Canadian Wheat Board for filing and recordation counterparts of the following document:

Supplemental Participation Agreement and Amendment dated as of March 1, 1982,("Amendment") among The Canadian Wheat Board, as Lessee, Mercantile-Safe Deposit and Trust Company, as Agent, J. P. Morgan Interfunding Corp., as Owner, The Connecticut Bank and Trust Company, as Trustee, Morgan Guaranty Trust Company of New York, as Investor, and the Permanent Investors.

The Amendment amends a Conditional Sale Agreement and Lease of Railroad Equipment dated as of April 1, 1980, previously filed and recorded with the Interstate Commerce Commission on June 10, 1980, at 12:15 p.m., Recordation Numbers 11886 and 11886-B, respectively; and Amendment Agreements dated as of October 1, 1980 and December 29, 1980, previously filed and recorded with the Interstate Commerce Commission on December 9, 1980, at 1:35 p.m., Recordation Number 11886-C, and January 30, 1981, at 12:00 p.m., Recordation Number 11886-D, respectively.

Counterpart - Dan

The Amendment changes the interest rate on the Conditional Sale Indebtedness, adjusts the rents payable under the Lease, and makes certain other changes in the Documents.

Please file and record the Amendment submitted with this letter and assign it Recordation Number 11886-E.

Enclosed is a check for $10 payable to the Interstate Commerce Commission for the recordation fee for the Amendment.

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

Very truly yours,

William P. Rogers, Jr.,
as Agent for The Canadian
Wheat Board

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

Encl.

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

William P. Rogers, Jr.
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N. Y. 10005

March 31, 1982

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/31/82 at 10:20AM, and assigned re-recordation number(s). 11886-E

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

This set is to be retained by the ICC.

RECORDATION NO. 11886-E Filed 1425

MAR 31 1982 -10 20 AM

INTERSTATE COMMERCE COMMISSION

no #5

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT

AND AMENDMENT

RECORDATION NO. 11886-E Filed 1425

MAR 31 1982 -10 20 AM

INTERSTATE COMMERCE COMMISSION

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal]

by _____

Attest:

by _____

_____
Secretary

[Corporate Seal]

Attest:

Assistant Corporate
Trust Officer

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, Manager

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE AND ANNUITY
COMPANY,

by

[Corporate Seal]

Attest:

_____
Secretary

INA CAPITAL ADVISORS, INC.

by

_____

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

_____

Attest:

by

_____

_____
Secretary

[Corporate Seal]

Attest:

_____
Secretary

KNIGHTS OF COLUMBUS,

by

_____

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this 25th day of March 1982, before me personally appeared W. G. Jarvis and Chas. W. Gibbings, to me personally known, who, being by me duly sworn, says that they are the Chief Commissioner and Commissioner, respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires
March 31, 1983

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

On this 24th day of March 1982, before me personally appeared R. E. Schreiber, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires JUL 1 1987

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of J. P. MORGAN INTERFUNDING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of INA CAPITAL ADVISORS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of KNIGHTS OF COLUMBUS, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
Attention of Securities Department, Private Placement Division.				
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.				
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52
Attention of Securities Department, Private Placement Division.				

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101. Attention of Private Placement Unit	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89
All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015				

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	72,943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	58,104.56	57,442.83	661.73	685,222.76
7/1/1995	87,403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	75,798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	94,987.76	58,955.75	36,032.01	667,917.20
1/1/1995	61,474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT

AND AMENDMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal] by

_____

Attest: by

_____ _____

Secretary

[Corporate Seal]

Attest:

Assistant Corporate Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Asst Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, ~~Manager~~ VP

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE AND ANNUITY COMPANY,

by

[Corporate Seal]

Attest:

_____
Secretary

INA CAPITAL ADVISORS, INC.

by

_____

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

_____

Attest:

by

_____

_____
Secretary

[Corporate Seal]

Attest:

_____
Secretary

KNIGHTS OF COLUMBUS,

by

_____

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this day of 1982, before me personally appeared and , to me personally known, who, being by me duly sworn, says that they are the and , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 24th day of MARCH 1982, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Florence H. Gilbert
Notary Public

[Notarial Seal]

My Commission expires JUL 1 1982

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

On this 25th day of March 1982, before me personally appeared Cathleen J. Matanle, to me personally known, who, being by ~~me duly~~ sworn, says that he is a Vice President of J. P. MORGAN INTERFUNDING CORP., 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.

Veronica C. Miller
Notary Public

[Notarial Seal]

My Commission expires
3-30-83

VERONICA C. MILLER
Notary Public, State of New York
No. 30-4501960
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1983

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of INA CAPITAL ADVISORS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of KNIGHTS OF COLUMBUS, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
Attention of Securities Department, Private Placement Division.				
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.				
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52
Attention of Securities Department, Private Placement Division.				

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101. Attention of Private Placement Unit	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89
All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015				

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	57,104.56	57,442.83	661.73	685,222.76
7/1/1995	403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	[illegible],798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	9[illegible],987.76	58,955.75	36,032.01	667,917.20
1/1/1995	[illegible] 474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT

AND AMENDMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal] by _____

Attest: by _____

_____ _____
Secretary

[Corporate Seal]

Attest:

Assistant Corporate Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, Manager

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE AND ANNUITY COMPANY,

by

[Corporate Seal]

Attest:

_____
Secretary

INA CAPITAL ADVISORS, INC.

by

_____

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

_____

Attest:

by

_____

_____
Secretary

[Corporate Seal]

Attest:

_____
Secretary

KNIGHTS OF COLUMBUS,

by

_____

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this day of 1982, before me personally appeared and , to me personally known, who, being by me duly sworn, says that they are the and , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 24th day of MARCH 1982, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Florence H. Wilson
Notary Public

[Notarial Seal]

My Commission expires JUL 1 1982

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of J. P. MORGAN INTERFUNDING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 25th day of March 1982, before me personally appeared F. W. KAWAM to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Sheree M. Daniels
Notary Public

[Notarial Seal]

My Commission expires

SHEREE M. DANIELS
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1985

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of INA CAPITAL ADVISORS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of KNIGHTS OF COLUMBUS, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
Attention of Securities Department, Private Placement Division.				
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.				
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52
Attention of Securities Department, Private Placement Division.				

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101. Attention of Private Placement Unit	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89
All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015				

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	58,104.56	57,442.83	661.73	685,222.76
7/1/1995	87,403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	[illegible],798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	9[illegible],987.76	58,955.75	36,032.01	667,917.20
1/1/1995	[illegible] 474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT

AND AMENDMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal]

by

_____

Attest:

by

_____

_____

Secretary

[Corporate Seal]

Attest:

Assistant Corporate
Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, Manager

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

Louis W. Farrar
Vice President

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE AND ANNUITY COMPANY,

by

[Corporate Seal]

Attest:

_____
Secretary

INA CAPITAL ADVISORS, INC.

by

_____

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

_____

Attest:

by

_____

_____
Secretary

[Corporate Seal]

Attest:

_____
Secretary

KNIGHTS OF COLUMBUS,

by

_____

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this day of 1982, before me personally appeared and , to me personally known, who, being by me duly sworn, says that they are the and , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 24th day of MARCH 1982, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Florence Hallber
Notary Public

[Notarial Seal]

My Commission expires JUL 1 1982

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of J. P. MORGAN INTERFUNDING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 25th day of March 1982, before me personally appeared Louis V. Farrar to me personally known, who, being by me duly sworn, says that he is an Vice President of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 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.

June V. Sanna
Notary Public

[Notarial Seal]

My Commission expires

DUNE V. SANNA
Notary Public, State of New York
No. 43-8760285
Qualified in Richmond County
Certificate Filed in New York County
Commission Expires March 30, 1982

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of INA CAPITAL ADVISORS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of KNIGHTS OF COLUMBUS, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
Attention of Securities Department, Private Placement Division.				
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.				
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52
Attention of Securities Department, Private Placement Division.				

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101. Attention of Private Placement Unit	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89

All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	72,943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	58,104.56	57,442.83	661.73	685,222.76
7/1/1995	87,403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	75,798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	94,987.76	58,955.75	36,032.01	667,917.20
1/1/1995	61,474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

Travelers

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT

AND AMENDMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal]

by _____

Attest:

by _____

_____
Secretary

[Corporate Seal]

Attest:

Assistant Corporate
Trust Officer

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, Manager

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK,

by

[Corporate Seal]

Attest:

Asst Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

DAVID A. WILLIAMS, INVESTMENT OFFICER

[Corporate Seal]

Attest:

Asst Secretary

THE TRAVELERS LIFE AND ANNUITY
COMPANY,

by

DAVID A. WILLIAMS, INVESTMENT OFFICER

[Corporate Seal]

Attest:

_____
Secretary

INA CAPITAL ADVISORS, INC.

by

_____

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

_____

Attest:

by

_____

_____
Secretary

[Corporate Seal]

Attest:

_____
Secretary

KNIGHTS OF COLUMBUS,

by

_____

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this day of 1982, before me personally appeared and , to me personally known, who, being by me duly sworn, says that they are the and , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 24th day of March 1982, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Florence H Miller
Notary Public

[Notarial Seal]

My Commission expires JUL 1 1982

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of J. P. MORGAN INTERFUNDING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 25th day of March 1982, before me personally appeared David A. Williams to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Robert A. Crawford

Notary Public

[Notarial Seal]

My Commission expires

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

On this 25th day of March 1982, before me personally appeared Daniel A Williams to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Robert A Crivisas
Notary Public

[Notarial Seal]

My Commission Expires March 31, 1984

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of INA CAPITAL ADVISORS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of KNIGHTS OF COLUMBUS, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115. Attention of Securities Department, Private Placement Division. Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115. Attention of Securities Department, Private Placement Division.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101.	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89
Attention of Private Placement Unit				
All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015				

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	72,943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	58,104.56	57,442.83	661.73	685,222.76
7/1/1995	87,403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	75,798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	94,987.76	58,955.75	36,032.01	667,917.20
1/1/1995	61,474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT

AND AMENDMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal]

by

_____

Attest:

by

_____

_____

Secretary

[Corporate Seal]

Attest:

Assistant Corporate Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, Manager

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE AND ANNUITY COMPANY,

by

INA LIFE INSURANCE COMPANY
BY INA CAPITAL ADVISORS, INC.

[Corporate Seal]

INA CAPITAL ADVISORS, INC.

Attest:

by

Assistant Vice President

Secretary

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

Attest:

by

Secretary

[Corporate Seal]

KNIGHTS OF COLUMBUS,

Attest:

by

Secretary

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this day of 1982, before me personally appeared and , to me personally known, who, being by me duly sworn, says that they are the and , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 24th day of March 1982, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Florence H. Colbert
Notary Public

[Notarial Seal]

My Commission expires JUL 1 1982

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of J. P. MORGAN INTERFUNDING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF Phila. ,)

On this 26th day of March 1982, before me personally appeared Gary Brown to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of INA CAPITAL ADVISORS, INC., 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.

Antoinette R. Imperiano
Notary Public

[Notarial Seal]

My Commission expires 12/31/85

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of KNIGHTS OF COLUMBUS, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115. Attention of Securities Department, Private Placement Division. Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115. Attention of Securities Department, Private Placement Division.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA LIFE INSURANCE COMPANY BY INA CAPITAL ADVISORS, INC. INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101. Attention of Private Placement Unit	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89

All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	72,943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	58,104.56	57,442.83	661.73	685,222.76
7/1/1995	87,403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	75,798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	94,987.76	58,955.75	36,032.01	667,917.20
1/1/1995	61,474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

Teachers

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT

AND AMENDMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal] by

_____

Attest: by

_____ _____

Secretary

[Corporate Seal]

Attest:

Assistant Corporate
Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, Manager

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE AND ANNUITY COMPANY,

by

[Corporate Seal]

Attest:

_____
Secretary

INA CAPITAL ADVISORS, INC.

by

_____

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

Assistant Vice President

Attest:

Secretary

by

Vice President

[Corporate Seal]

Attest:

_____
Secretary

KNIGHTS OF COLUMBUS,

by

_____

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this day of 1982, before me personally appeared and , to me personally known, who, being by me duly sworn, says that they are the and , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 24th day of MARCH 1982, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Florence H. Miller
Notary Public

[Notarial Seal]

My Commission expires JUL 1 1982

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of J. P. MORGAN INTERFUNDING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of INA CAPITAL ADVISORS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this 25th day of March 1982, before me personally appeared John M. Baldwin & David B. Bullett to me personally known, who, being by me duly sworn, says that they ~~is a~~ are the Assistant V.P. & Vice President of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, 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.

Adrienne T. Martorano
Notary Public

[Notarial Seal]

My Commission expires

ADRIENNE T. MARTORANO
NOTARY PUBLIC, State of New York
No. 41-4704569
Qualified in Queens County
Commission Expires March 30, 1983

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of KNIGHTS OF COLUMBUS, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
Attention of Securities Department, Private Placement Division.				
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.				
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52
Attention of Securities Department, Private Placement Division.				

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101. Attention of Private Placement Unit	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89
All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015				

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	72,943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	58,104.56	57,442.83	661.73	685,222.76
7/1/1995	87,403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	75,798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	94,987.76	58,955.75	36,032.01	667,917.20
1/1/1995	61,474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

Knights

[CS&M REF 2043-988]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

THE PARTIES NAMED IN APPENDIX I HERETO,
Permanent Investors

Dated as of March 1, 1982

[Supplementing and amending Participation Agreement, Conditional Sale Agreement, Lease and Trust Agreement, each dated as of April 1, 1980, as previously amended]

SUPPLEMENTAL PARTICIPATION AGREEMENT AND AMENDMENT dated as of March 1, 1982, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and the parties named in Appendix I hereto (such parties, together with their wholly owned subsidiaries being hereinafter called the "Permanent Investors").

WHEREAS the parties hereto (other than the Permanent Investors) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of 800 covered hopper cars, as set forth in Annex B to the CSA (as hereinafter defined) (the "Equipment");

WHEREAS the Trustee and Hawker Siddeley Canada Inc. (the "Builder") (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "CSA"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the property and the security interest of the Builder in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980, and December 29, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Trustee, the Agent and the Owner have entered into the Trust Agreement pursuant to which the Trustee acts for the Owner and the Agent in respect of the Equipment;

WHEREAS the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement have not been amended or modified except as set forth in Amendment Agreements dated as of October 1, 1980, and December 29, 1980, respectively, among, in each case, the Lessee, the Agent, the Owner, the Trustee, the Investor and the Builder;

WHEREAS the Participation Agreement (together with its exhibits) is appended hereto as Exhibit A, said Amendment Agreement dated as of October 1, 1980, is appended hereto as Exhibit B and said Amendment Agreement dated as of December 29, 1980, is appended hereto as Exhibit C; and

WHEREAS the Owner proposes to prepay and retire a portion of the Investor's interest in Conditional Sale Indebtedness, and the Permanent Investors propose to acquire the remainder of such interest pursuant hereto and, in connection therewith, the interest rate on the Conditional Sale Indebtedness will be changed to 16-3/4% per annum and a corresponding change will be made in the rents payable under the Lease, all as more fully set forth below.

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto agree as follows:

1. Subject to the terms and conditions hereof, each of the Permanent Investors will pay to the Agent, in immediately available funds, not later than 11:00 a.m. Baltimore time, on the applicable Financing Date (as hereinafter defined), the amounts set forth opposite its name in Appendix I hereto. The dates for payment set forth in Appendix I hereto may be amended by agreement among the parties hereto and as so amended are herein called the "Financing Dates". The term "First Financing Date" shall mean the Financing Date first occurring. The Agent will give each Permanent Investor five business days' prior written notice of any Financing Date on which such Permanent Investor shall be required to deposit funds, which notice shall state the aggregate amount to be paid by such Permanent Investor on such Financing Date.

Upon payment to the Agent of any amount required to be paid by a Permanent Investor, the Agent will execute and deliver to such Permanent Investor (or, upon the written request of such Permanent Investor, to the nominee or nominees of such Permanent Investor) certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the forms annexed hereto as Appendix II and representing an allocation of such payment to Conditional Sale Indebtedness (as defined in the CSA) in respect of Group A Equipment (as defined in the CSA) and Group B Equipment (as defined in the CSA) in the proportion set forth oposite such Permanent Investor's name in Appendix I hereto in respect of Group A Equipment and Group B Equipment. Simultaneously with the final payment to it of all amounts payable in respect of a certificate of interest, such Permanent Investor shall surrender such certificate to the Agent.

Subject to the terms and conditions hereof, upon payment to the Agent on any Financing Date of the amount to be paid by a Permanent Investor pursuant hereto or by the Trustee pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA (as supplemented and amended hereby), or by the Lessee pursuant to § 3 of the Lease (as supplemented and amended hereby), and upon surrender to the Agent for cancelation of the certificate of interest theretofore delivered to the Investor under the Participation Agreement, the Agent will pay to the Investor an amount equal to the amount so paid to the Agent and the Agent will execute and deliver a new certificate or certificates of interest to the Investor (or, upon the written request of the Investor, to the nominee of the Investor) substantially in the form annexed hereto as Appendix II representing the aggregate Conditional Sale Indebtedness then held by the Investor and reflecting the allocation of such payment to Conditional Sale Indebtedness in respect of Group A Equipment and Group B Equipment set forth herein; it being understood that the Owner will cause the Trustee to furnish to the Agent sufficient funds to enable the Agent to prepay on the First Financing Date $1,582,174.46 of the original aggregate Conditional Sale Indebtedness held by the Investor ($759,247.02 being allocated to Conditional Sale Indebtedness in respect of Group A Equipment and $822,927.44 being allocated to Conditional Sale Indebtedness in respect of Group B Equipment); and it being further understood that the Lessee will furnish to the Agent (as a prepayment of rent under the Lease) sufficient funds to pay on any Financing Date accrued and unpaid interest

on the aggregate amount of Conditional Sale Indebtedness held by the Investor which shall be prepaid by the Trustee or purchased by the Permanent Investors on such Financing Date.

As soon as practicable after each Permanent Investor shall have paid the total amount set forth opposite such Permanent Investor's name in Appendix I hereto, the Agent will deliver to such Permanent Investor a schedule of payments reflecting the dates and amount of principal and interest payments to be made in respect of the certificates held by such Permanent Investor. As soon as practicable after the First Financing Date, the Agent shall deliver to the Investor a revised schedule of principal payments to be made in respect of the certificate held by the Investor.

All transactions pursuant hereto which shall occur on any Financing Date shall be deemed for purposes of this Agreement, the CSA, the Lease and the Trust Agreement to have occurred simultaneously; provided, however, that if any Payment Date (as defined in the CSA) shall coincide with any Financing Date, the payment of all amounts required to be paid to the Agent on such Payment Date pursuant to the CSA shall be a condition to the obligations of the Permanent Investors and the Agent hereunder and, once so paid, the payment of all such amounts shall be deemed to have been made prior to the transactions provided for herein.

2. Permanent Investors' Representations and Agreements. Each Permanent Investor represents, on its own behalf and on behalf of any company directly or indirectly controlling or controlled by such Permanent Investor (an "Affiliate") which may hereafter acquire such Permanent Investor's interest in Conditional Sale Indebtedness, that it is acquiring its interest in the Conditional Sale Indebtedness (as defined in the CSA) for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control, and except that such Permanent Investor may transfer its interest in Conditional Sale Indebtedness to one or more of its Affiliates.

The interests of the Permanent Investors hereunder have not been registered under the Securities Act of 1933, and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Permanent Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement and the Participation Agree-

ment (as supplemented and amended hereby). Prior to any such transfer (other than to an Affiliate) such Permanent Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Permanent Investor an appropriate agreement, to be entered into among such Permanant Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

Each Permanent Investor further severally represents that it is not acquiring its interest in the Conditional Sale Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent, the Investor or the Trustee in its individual capacity is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

Each Permanent Investor agrees to be bound by the provisions of the Participation Agreement, as supplemented and amended hereby.

3. Financing Date Conditions. The obligations of the Permanent Investors to deposit funds on any Financing Date pursuant to Paragraph 1 hereof and of the Agent to make payment to the Investor pursuant to said Paragraph 1 out of funds so deposited shall be subject to the receipt by the Agent on or prior to the First Financing Date of the funds to be paid by the Trustee to the Agent on the First Financing Date pursuant to said Paragraph 1 and of the receipt on or prior to each Financing Date by the Agent and the Permanent Investors required to deposit funds on such Financing Date of the documents listed below, dated such Financing Date; provided, however, that no Permanent Investor shall be obligated to deposit funds on any Financing Date unless at least 75% of the funds required to be deposited with the Agent by the Permanent Investors on or prior to such Date shall be so deposited.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) the Assignment has been duly authorized, executed and delivered by the Trustee and is a legal and valid instrument, binding on the Trustee in accordance with its terms; the Agent is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by the Assignment and has a valid security interest in the Equipment;

(iii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the CSA, the Lease or the Trust Agreement, all as amended by this Agreement, or of the Assignment;

(iv) the CSA, the Assignment, the Lease and this Agreement have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and a search of the records of the Interstate Commerce Commission of filings pursuant to 47 U.S.C. § 11303 (and, in the case of the Trustee, a search of the Uniform Commercial Code records of the Secretary of State of the State of Connecticut) does not reveal any other filings with respect to the Equipment against the Lessee, the Trustee, the Builder or the Owner;

(v) under the circumstances contemplated by this Agreement it is not necessary to register the CSA, as supplemented and amended hereby, or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement, the Participation Agreement, all as suplemented and amended hereby, or this Agreement under the Trust Indenture Act of 1939, as amended; and

(vi) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f) and (g) of this Paragraph 3 are satisfactory to said special counsel and in their opinion the Permanent Investors, the Investor and the Agent are justified in relying thereon;

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

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Permanent Investors, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee under the Participation Agreement and the Lease, both as supplemented and amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as supplemented and amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the CSA or the Lease, all as supplemented and amended by this Agreement, or of the Assignment, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of the Participation Agreement, the CSA, the Lease, the Assignment or this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as supplemented and amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Assignment, and in the Participation Agreement and the Lease, both as supplemented and amended hereby, and will apply the laws of the State of Maryland in construing the Assignment and the laws of the State of Connecticut in construing this Agreement and in construing the Participation Agreement and the Lease, both as supplemented and amended hereby;

(vii) the CSA, the Assignment, the Lease and this Agreement have been duly registered where required in the appropriate registries pursuant to the Conditional Sales Acts of Alberta and Saskatchewan and the Sale of Goods on Condition Act of British Columbia and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Alberta and British Columbia within 3 years of the initial registration and within 3 years of every

renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as supplemented and amended hereby, and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Statements and Financing Change Statements, where required, have been registered giving notice of the CSA, the Lease, the Assignment, and this Agreement in accordance with the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the CSA and the Lease, both as supplemented and amended hereby, and to the Assignment has been duly perfected in Ontario, Saskatchewan and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario, Saskatchewan and Manitoba the rights of the Agent in and to the Equipment under the CSA, as supplemented and amended hereby, and the Assignment;

(x) there are no registrations of record with respect to the Equipment against the Lessee, the Trustee or the Owner prior to the registrations of the CSA, the Assignment and the Lease under the Conditional Sales Acts of Alberta and Saskatchewan

and the Sale of Goods on Condition Act of British Columbia, in the appropriate offices in the Counties of Pictou and Halifax, Nova Scotia, and under the Personal Property Security Acts of Ontario, Saskatchewan and Manitoba; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA, as supplemented and amended hereby, and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (iii) of subparagraph (a) of this Paragraph 3, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United

States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement, and to observe and perform the provisions hereof, of the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and of the Acknowledgment of Notice of Assignment;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the CSA, the Lease and the Trust Agreement, all as supplemented and amended by this Agreement, and the Acknowledgment of Notice of Assignment are legal and valid instruments, binding on the parties thereto and enforceable in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut, which is the only office where such filing is required in Connecticut and, assuming the filing of this Agreement, the CSA (as supplemented and amended hereby), and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period; and, except for financing statements naming the Agent as secured party and filed in connection with the transactions contemplated by the Participation Agreement (as supplemented and amended hereby) there are no other

financing statements with respect to the Equipment on file in the Uniform Commercial Code records of the Secretary of State of the State of Connecticut naming the Trustee as debtor;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms; and

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement and the Trust Agreement, both as supplemented and amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(f) an opinion of the General Counsel or an Assistant Solicitor of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 3; and to the effect that, as required by § 12 of the Lease, the Equipment is free and clear of any right, claim, lien, security interest or other encumbrance arising from, through or under Itel Corporation or its assignees;

(g) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement, the Participation Agreement, as supplemented and amended hereby, and the Assignment are legal, valid and binding instruments;

(h) a certificate of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date and (ii) stating that (A) the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee, (B) no unit of the Equipment has suffered a Casualty Occurrence (as defined in the Lease) since it was delivered to and accepted by the Lessee under the Lease, (C) since December 31, 1980, there has been no material adverse change in the financial condition or result of operations of the Lessee and (D) the Lessee has not been in default on any payment of principal or interest for money borrowed;

(i) a certificate of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 of the Participation Agreement are true and correct as of the First Financing Date as if made on and as of such date; and

(j) a certificate of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder, (iii) the representations and warranties of the Owner in Paragraph 4 of the Participation Agreement are true and correct as of the First Delivery Date as if made on and as of such date and (iv) no unit of the Equipment has suffered a Casualty Occurrence since it was accepted by the Lessee on behalf of the Trustee under the CSA.

In giving the opinions specified in subparagraphs (a) through (f) of this Paragraph 3, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding

instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent and the Lessee as to such matter. In giving the opinion specified in the last clause of (iv) of subparagraph (a) of this Paragraph 3, counsel may rely, as to any matter involving Federal law, on an opinion of Messrs. Wilmer, Cutler & Pickering. In addition, the opinion specified in subparagraph (c) of this Paragraph 3 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 3, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA, as amended hereby, on the opinions of counsel for the Agent and the Trustee, (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee and (iv) as to prior registrations of record with respect to the Equipment, on reports or

certificates provided by public officials. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 3, counsel may (i) assume that the Builder has transfered good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinions specified in the last cause of each of subparagraphs (e) and (f) of this Paragraph 3, counsel may rely, to the extent specified in such opinions, on the opinion of special California counsel to the Lessee rendered on June 6, 1980.

4. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and cause the Trustee to make payments to the Agent on each Financing Date pursuant to the CSA (as supplemented and amended hereby) shall be subject to the terms and conditions of the CSA (as supplemented and amended hereby) and (i) the receipt by the Owner and the Trustee on or before the First Financing Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (i), respectively, of Paragraph 3 hereof and (ii) the receipt by the Agent on or before the First Financing Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 3 hereof.

5. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any undertaking or agreement herein of the Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Agent and the Permanent Investors and by all persons claiming by, through or under the Lessee, the Agent and the Permanent Investors; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making

claim hereunder, may look to the Trust Estate for satisfaction of the same. The foregoing proviso is without prejudice, however, to the rights of the Lessee to quiet enjoyment, possession, use and assignment referred to in the last paragraph of § 4 of the Lease.

6. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Permanent Investors by reason of any of the obligations of the Trustee hereunder or under the Participation Agreement, the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement (as amended hereby). If for any reason, whether or not related to the Act, the Permanent Investors shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Permanent Investors hereby irrevocably agree to return promptly such amount recovered to the Trustee or the Owner.

7. Amendments to Participation Agreement. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean either the Investor and the Permanent Investors (or each of them) and their respective successors or any such Investor or Permanent Investor or successor, as the case shall require: (i) the fifth and seventh paragraphs of Paragraph 2; (ii) paragraph (d) of Paragraph 4; (iii) Paragraph (d) of Paragraph 5; (iv) the first, second, third, fourth, fifth (other than the last word of the penultimate sentence thereof), seventh, eighth and tenth paragraphs of, and the first sentence of the eleventh paragraph of, Paragraph 10; (v) Paragraph 11; and (vi) Paragraph 16.

(b) When used in the following Paragraphs (or portions thereof) the term "Investor" shall mean the holders at the time of a majority in principal amount outstanding of Conditional Sale Indebtedness: the last word of the penultimate sentence of the fifth paragraph and the eleventh paragraph (other than the first sentence thereof) of Paragraph 10.

(c) Paragraph 19 is deleted.

8. Amendments to CSA. The Trustee and the Agent, as assignee of the Builder, agree that the CSA shall be amended as follows:

(a) The following proviso is added to the end of clause (b) of the third paragraph of Article 4:

"; provided, however, that (i) on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')), the Vendee shall prepay $1,582,174.46 of the aggregate Purchase Price of the Equipment ($759,247.02 of such prepayment being allocated to the Purchase Price of Group A Equipment and $822,927.44 of such prepayment being allocated to the Purchase Price of Group B Equipment), together with accrued and unpaid interest (calculated as provided in the next succeeding paragraph) on such prepayment".

(b) The balance of the fourth paragraph of Article 4 after the first sentence thereof is deleted and the following sentences are substituted therefor:

"The unpaid balance of the Conditional Sale Indebtedness shall bear interest as follows:

(a) the unpaid balance of the Conditional Sale Indebtedness held by the Investor shall bear interest from and including the Closing Date in respect of which such indebtedness was incurred at the rate publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods ending on or before June 30, 1981, at the Prime Rate plus 1/2% for all periods commencing after June 30, 1981, and ending on or before June 30, 1984, and at the Prime Rate plus 5% for all periods commencing after June 30, 1984 (the interest rate applicable from time to time under this clause being hereinafter called the "Floating Prime Rate"); the rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate;

(b) the unpaid balance of the Conditional Sale Indebtedness held by the Permanent Investors (as defined in the Supplemental

Participation Agreement) and any of their successors or assigns shall bear interest from and including the Financing Date (as defined in the Supplemental Participation Agreement) on which such Conditional Sale Indebtedness was acquired by a Permanent Investor from the Investor pursuant to the Supplemental Participation Agreement at the rate of 16-3/4% per annum.

All such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The amounts of Conditional Sale Indebtedness payable on each Payment Date following the First Financing Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in the applicable Schedule I hereto and the aggregate of such installments of principal shall completely amortize Conditional Sale Indebtedness at the maturities set forth in such Schedule I. The Vendee will furnish to the Vendor and the Lessee promptly after the First Financing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date in respect of Group A Equipment and Group B Equipment."

(c) The balance of the sixth paragraph of Article 4 after the words "pursuant to the terms hereof" is deleted and the following is added therefor:

"as follows:

(a) all such amounts due and payable to the Investor shall bear interest at the Floating Prime Rate plus 2%; and

(b) all such amounts due and payable to a Permanent Investor or its successor or assign shall bear interest at 17-3/4% per annum."

(d) The following words are added to the first sentence of the eighth paragraph of Article 4 immediately after the words "pursuant to subparagraph (a)":

"and the proviso to subparagraph (b) (other than the obligation to pay interest)".

(e) Schedule I to the CSA is hereby deleted in its entirety and the revised schedules set forth in Appendix III hereto are substituted therefor.

9. Amendments to Lease. The parties to the Lease agree that it shall be amended as follows:

(a) The second sentence of the first paragraph of § 3 is deleted in its entirety and the following is substituted therefor:

"The first 2 semiannual payments in respect of the Group A Units shall each be in an amount equal to 5.157380% of the Purchase Price (as hereinafter defined) of each such Unit then subject to this Lease, the next 23 semiannual payments in respect of the Group A Units shall each be in an amount equal to 6.174350% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of Group A Units shall each be in an amount equal to 7.546430% of the Purchase Price of each such Unit then subject to this Lease. The first 1 semiannual payment in respect of the Group B Units shall each be in an amount equal to 5.157380% of the Purchase Price of each such Unit then subject to this Lease, the next 24 semiannual payments in respect of the Group B Units shall each be in an amount equal to 6.158010% of the Purchase Price of each such Unit then subject to this Lease and the next 25 semiannual payments in respect of the Group B Units shall each be in an amount equal to 7.526460% of the Purchase Price of each such Unit then subject to this Lease. Notwithstanding the foregoing, the rentals payable will never be less than those amounts required to enable the Lessor to satisfy its obligations to pay the Conditional Sale Indebtedness and interest thereon when due.

(b) The second paragraph of § 3 is deleted in its entirety and the following paragraph is substituted therefor:

"The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof. The Lessee further agrees to prepay on any Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (the 'Supplemental Participation Agreement')) rentals to the extent required to pay the amounts of interest referred to in the third

paragraph of Paragraph 1 of the Supplemental Participation Agreement, which prepayment shall be credited against the rentals otherwise required to be paid on the next succeeding Rental Payment Date."

(c) The third paragraph of § 3 is amended by adding the words "through and including December 31, 1981" to clause (d) thereof after the words "(as defined in the Participation Agreement)" and by adding the following words at the end of said clause (d) after the words "such day":

"or, after December 31, 1981, any difference between 16-3/4% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day,"

(d) The following proviso is added to the end of § 17:

"; provided, however, that, except insofar as such overdue rentals and other obligations relate to Conditional Sale Indebtedness held by the Investor, on and after the First Financing Date (as defined in the Supplemental Participation Agreement), such rate shall be 17-3/4% per annum."

(e) Schedules B and C to the Lease are hereby deleted in their entirety and the revised Schedules B and C as set forth in Appendices IV and V hereto, respectively, are substituted therefor.

10. Amendments to Trust Agreement. The parties to the Trust Agreement agree that it shall be amended as follows:

(a) the following words are added at the end of the second sentence of Section 1.03:

"and to make a payment to the Trustee on the First Financing Date (as defined in the Supplemental Participation Agreement and Amendment dated as of March 1, 1982), in order that the Trustee may make the prepayment of Conditional Sale Indebtedness provided for on such Date pursuant to the proviso to clause (b) of the third paragraph of Article 4 of the CSA."

(b) Clause (ii) of Section 8.01 is deleted in its entirety and the following is substituted therefor:

"(ii) the Trustee shall enter into or consent to such written amendment of or supplement to the Trust Docu-

ments as the Lessee, the Owner or the Agent, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request; provided, however, that, without the consent of each holder of Conditional Sale Indebtedness then outstanding, no such supplement to this Trust Agreement or of the CSA or waiver or modification of the terms hereof or thereof shall modify the provisions of Section 1.02, Section 1.03, Section 2.01(a), Section 3.01, the last sentence of Section 3.04, Article VI, this Article VIII or Section 9.01 hereof or permit the creation of any lien on the Equipment, the Lease, the 'income and proceeds from the Equipment' (as defined in the CSA) or the income and proceeds from the Lease except as herein and in the CSA expressly permitted, or deprive the Agent or any investor in Conditional Sale Indebtedness of the benefits of the CSA."

11. General Amendment. The terms "Participation Agreement", "CSA", "Lease" and "Trust Agreement", as used in the Participation Agreement, the CSA, the Lease, the Assignment and the Trust Agreement shall be deemed to refer to the Participation Agreement, the CSA, the Lease and the Trust Agreement as supplemented and amended by this Agreement.

12. Addresses. All deposits to be made hereunder by the Permanent Investors with the Agent shall be wired to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Department's Account No. 08246-5, with advice that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it, if by hand, at 2 Hopkins Plaza, Baltimore, Maryland 21201 or, if by mail, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered as mailed to it at 23 Wall Street, New York, New York 10015, Attention of Louis V. Farrar or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Permanent Investors shall be delivered or mailed to them at their respective addresses set forth in Appendix I hereto.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

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

14. Agreements Continue. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

[Seal] by _____

Attest: by _____

_____ _____
Secretary

[Corporate Seal]

Attest:

Assistant Corporate
Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

by

Assistant Vice President

[Corporate Seal]

Attest:

Secretary

J. P. MORGAN INTERFUNDING CORP.,

by

Cathleen J. Mantale, Manager

[Corporate Seal]

Attest:

Authorized Officer

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Authorized Officer

[Corproate Seal]

Attest:

Secretary

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE INSURANCE COMPANY,

by

[Corporate Seal]

Attest:

Secretary

THE TRAVELERS LIFE AND ANNUITY COMPANY,

by

[Corporate Seal]

Attest:

_____
Secretary

INA CAPITAL ADVISORS, INC.

by

_____

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA,

[Corporate Seal]

by

_____

Attest:

by

_____

_____
Secretary

[Corporate Seal]

Attest:

Howard C. Murphy
Supreme Secretary

KNIGHTS OF COLUMBUS,

JRS 3/25/82

by Virgil C. Dechant

Virgil C. Dechant
Supreme Knight

RCA 3/25/82

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this day of 1982, before me personally appeared and , to me personally known, who, being by me duly sworn, says that they are the and , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this 24th day of MARCH 1982, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Florence H Colber

Notary Public

[Notarial Seal]

My Commission expires JUL 1 1982

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of J. P. MORGAN INTERFUNDING CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE TRAVELERS LIFE AND ANNUITY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ,)

On this day of 1982, before me personally appeared to me personally known, who, being by me duly sworn, says that he is an of INA CAPITAL ADVISORS, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF CONNECTICUT,)
) ss.:
COUNTY OF New Haven,)

On this 25th day of March 1982, before me personally appeared Virgil C. Dechant, to me personally known, who, being by me duly sworn, says that he is Supreme Knight of KNIGHTS OF COLUMBUS, 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.

Barbara J. Murgi
Notary Public

[Notarial Seal]

My Commission expires

APPENDIX I
to
Supplemental Participation Agreement and Amendment

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of: Group A Equipment	Group B Equipment	Total
The Travelers Life Insurance Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 3,500,000	$ 00	$ 3,500,000
Attention of Securities Department, Private Placement Division.				
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life Insurance Company, Account No. 01-914-604-0 in the United Bank & Trust Company, 101 Pearl Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department —Cashier.				
The Travelers Life and Annuity Company, One Tower Square, Hartford, Connecticut 06115.	April 1, 1982	$ 2,774,516.32	$ 6,443,138.20	$9,217,654.52
Attention of Securities Department, Private Placement Division.				

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* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of Group A Equipment	Group B Equipment	Total
Payments should be made by Federal funds bank wire transfer for credit before 12:00 noon, New York City time, on the date due, to The Travelers Life and Annuity Company, Account No. 44-032-9710 in the Hartford National Bank and Trust Company, 777 Main Street, Hartford, Connecticut 06115, with such transfer information sufficient to identify the source of the funds and the purpose to which they are to be applied, i.e., principal and/or interest, Canadian Wheat Board CSA Indebtedness due 2001. At the time of such transfer, written confirmation of such payments should be sent to The Travelers Insurance Company, One Tower Square, Hartford, Connecticut 06115, Attention of Securities Department --Cashier.				
INA Capital Advisors, Inc., P. O. Box 8087 Philadelphia, Pennsylvania 19101.	April 1, 1982	3,253,358.92	3,340,789.97	6,594,148.89
Attention of Private Placement Unit				
All payments of interest and principal should be directed by wire transfer, identifying each such payment as to interest and/or principal, to Morgan Guaranty Trust Company of New York, for account of ZANDE & CO., c/o Custody Services Department, 23 Wall Street, New York, N.Y. 10015				

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

Investor	Financing Date*	Portion of Investment allocated to Conditional Sale Indebtedness in respect of Group A Equipment	Group B Equipment	Total
Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, N. Y. 10017 Attention of Securities Division. Payments by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, for credit to the account of Teachers Insurance and Annuity Association of America Account No. 121-85-001, with sufficient information to identify the source and application of Funds and with telephonic confirmation to Cash Management TIAA (212) 490-9000.	July 1, 1982	$ 1,988,986.29	$ 2,043,751.28	$ 4,032,737.57
Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507. Attention of Investment Department. Payments by bank wire transfer of immediately available funds providing sufficient information as to issuer, security and principal and interest to The Connecticut Bank and Trust Company, Hartford, Connecticut 06115, for credit to Account No. 081-666-3. Notices of payment to Knights of Columbus, One Columbus Plaza, New Haven, Connecticut 06507, Attention of the Accounting Department. All other notices Attention of Investment Department.	April 1, 1982	1,162,276.43	1,193,511.55	2,355,787.98
	Totals	$12,679,137.96	$13,021,191.00	$25,700,328.96

* Financing Date may be changed as provided in Paragraph 1 of this Agreement.

APPENDIX II
to
Supplemental Participation
Agreement and Amendment

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group A Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group A Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust

Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1,
1980, December 29, 1980 and
March 1, 1982 (Secured by
Lease Obligations of The
Canadian Wheat Board)

Interest Rate: 16-3/4%

CERTIFICATE OF INTEREST

Group B Equipment

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from (hereinafter called the "Permanent Investor") of ($), such sum having been paid by the Permanent Investor under and pursuant to the terms and conditions of a Supplemental Participation Agreement and Amendment dated as of March 1, 1982 (hereinafter called the "Supplemental Participation Agreement"), among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent, Morgan Guaranty Trust Company of New York (the "Investor") and the Permanent Investors named in Appendix I thereto, supplementing and amending the Participation Agreement (the "Participation Agreement") dated as of April 1, 1980, as amended as of October 1, 1980 and December 29, 1980, among the Lessee, the Trustee, the Owner, the Agent and the Investor. By reason of such payment the Permanent Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness in respect of Group B Equipment (as such terms are defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA") dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980 and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by

the CSA and (iv) all cash and other property from time to time held by the Agent under the Supplemental Participation Agreement and the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA (subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein)), the Supplemental Participation Agreement and the Participation Agreement (i) such principal amount is payable in semiannual installments on January 1 and July 1 in each year, commencing July 1, 1982 [January 1, 1983], to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing July 1, 1982 [January 1, 1983], until such principal amount shall have become due and payable, at the rate of 16-3/4% per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 17-3/4% per annum. All payments received by the Agent in accordance with the terms of the Supplemental Participation Agreement and the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Supplemental Participation Agreement and the Participation Agreement.

THE INTERESTS OF THE PERMANENT INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 2 OF THE SUPPLEMENTAL PARTICIPATION AGREEMENT AND PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

[CORPORATE SEAL]

by

Attest:

_____
Authorized Officer

_____

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

Conditional Sale Agreement
dated as of April 1, 1980,
as amended as of October 1, 1980,
December 29, 1980, and March 1, 1982,
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST
(Interim Investor)

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the "Agent") hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the "Investor") of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement (hereinafter called the "Participation Agreement"), dated as of April 1, 1980, as amended as of October 1, 1980, and December 29, 1980, and as supplemented and amended as of March 1, 1982, among The Canadian Wheat Board (hereinafter called the "Lessee"), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the "Trustee"), J. P. Morgan Interfunding Corp. (hereinafter called the "Owner"), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the CSA hereinafter referred to) and in and to (i) the Conditional Sale Agreement (hereinafter called the "CSA"), dated as of April 1, 1980, as amended as of October 1, 1980, December 29, 1980, and March 1, 1982, between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the "Builder"), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, as amended as of March 1, 1982, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal amount is payable in 40 semiannual installments on January 1 and July 1 in each year, commencing (a) in the case of Group A Equipment (as defined in the CSA), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the CSA), commending January 1, 1982, to and including July 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in the CSA) and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the Floating Prime Rate plus 2%. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

APPENDIX III
to
Supplemental Participation
Agreement and Amendment

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	46,613.34	41,875.00*	4,738.34	995,261.66
1/1/1983	88,488.34	83,353.16	5,135.18	990,126.48
7/1/1983	88,488.34	82,923.09	5,565.25	984,561.23
1/1/1984	88,488.34	82,457.00	6,031.34	978,529.89
7/1/1984	88,488.34	81,951.88	6,536.46	971,993.43
1/1/1985	88,488.34	81,404.45	7,083.89	964,909.54
7/1/1985	88,488.34	80,811.17	7,677.17	957,232.37
1/1/1986	88,488.34	80,168.21	8,320.13	948,912.24
7/1/1986	88,488.34	79,471.40	9,016.94	939,895.30
1/1/1987	88,488.34	78,716.23	9,772.11	930,123.19
7/1/1987	88,488.34	77,897.82	10,590.52	919.532.67
1/1/1988	88,488.34	77,010.86	11,477.48	908,055.19
7/1/1988	88,488.34	76,049.62	12,438.72	895,616.47
1/1/1989	88,488.34	75,007.88	13,480.46	882,136.01
7/1/1989	88,488.34	73,878.89	14,609.45	867,526.56
1/1/1990	88,488.34	72,655.35	15,832.99	851,693.57
7/1/1990	88,488.34	71,329.34	17,159.00	834,534.57
1/1/1991	88,488.34	69,892.27	18,596.07	815,938.50
7/1/1991	88,488.34	68,334.85	20,153.49	795,785.01
1/1/1992	88,488.34	66,646.99	21,841.35	773,943.66
7/1/1992	88,488.34	64,817.78	23,670.56	750,273.10
1/1/1993	75,439.20	62,835.37	12,603.83	737,669.27
7/1/1993	85,670.79	61,779.80	23,890.99	713,778.28
1/1/1994	72,943.29	59,778.93	13,164.36	700,613.92
7/1/1994	94,537.68	58,676.42	35,861.26	664,752.66
1/1/1995	61,183.56	55,673.04	5,510.52	659,242.14
7/1/1995	83,419.64	55,211.53	28,208.11	631,034.03
1/1/1996	68,329.16	52,849.10	15,480.06	615,553.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
7/1/1996	78,389.48	51,552.64	26,836.84	588,717.13
1/1/1997	67,389.78	49,305.06	18,084.72	570,632.41
7/1/1997	76,205.04	47,790.46	28,414.58	542,217.83
1/1/1998	108,152.42	45,410.74	62,741.68	479,476.15
7/1/1998	108,152.42	40,156.13	67,996.29	411,479.86
1/1/1999	108,152.42	34,461.44	73,690.98	337,788.88
7/1/1999	108,152.42	28,289.82	79,862.60	257,926.28
1/1/2000	108,152.42	21,601.33	86,551.09	171,375.19
7/1/2000	108,152.42	14,352.67	93,799.75	77,575.44
1/1/2001	84,072.38	6,496.94	77,575.44	0.00
Totals	$3,312,874.66	$2,312,874.66	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(April 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
7/1/1982	45,973.63	41,875.00*	4,098.63	995,901.37
1/1/1983	87,848.63	83,406.74	4,441.89	991,459.48
7/1/1983	87,848.63	83,034.73	4,813.90	986,645.58
1/1/1984	87,848.63	82,631.57	5,217.06	981,428.52
7/1/1984	87,848.63	82,194.64	5,653.99	975,774.53
1/1/1985	87,848.63	81,721.12	6,127.51	969,647.02
7/1/1985	87,848.63	81,207.94	6,640.69	963,006.33
1/1/1986	87,848.63	80,651.78	7,196.85	955,809.48
7/1/1986	87,848.63	80,049.04	7,799.59	948,009.89
1/1/1987	87,848.63	79,395.83	8,452.80	939,557.09
7/1/1987	87,848.63	78,687.91	9,160.72	930,396.37
1/1/1988	87,848.63	77,920.70	9,927.93	920,468.44
7/1/1988	87,848.63	77,089.23	10,759.40	909,709.04
1/1/1989	87,848.63	76,188.13	11,660.50	898,048.54
7/1/1989	87,848.63	75,211.57	12,637.06	885,411.48
1/1/1990	87,848.63	74,153.21	13,695.42	871,716.06
7/1/1990	87,848.63	73,006.22	14,842.41	856,873.65
1/1/1991	87,848.63	71,763.17	16,085.46	840,788.19
7/1/1991	87,848.63	70,416.01	17,432.62	823,355.57
1/1/1992	87,848.63	68,956.03	18,892.60	804,462.97
7/1/1992	87,848.63	67,373.77	20,474.86	783,988.11
1/1/1993	87,848.63	65,659.00	22,189.63	761,798.48
7/1/1993	87,848.63	63,800.62	24,048.01	737,750.47
1/1/1994	74,560.17	61,786.60	12,773.57	724,976.90
7/1/1994	99,809.23	60,716.82	39,092.41	685,884.49
1/1/1995	58,104.56	57,442.83	661.73	685,222.76
7/1/1995	87,403.36	57,387.41	30,015.95	655,206.81
1/1/1996	72,689.80	54,873.57	17,816.23	637,390.58
7/1/1996	82,498.84	53,381.46	29,117.38	608,273.20
1/1/1997	66,013.92	50,942.88	15,071.04	593,202.16
7/1/1997	77,003.87	49,680.68	27,323.19	565,878.97

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* Interest calculated from April 1, 1982.

Note: this schedule reflects amortization of principal held by the Investor on and after April 1, 1980. Interest on such principal is calculated in accordance with Article 4 hereof.

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
1/1/1998	75,232.80	47,392.36	27,840.44	538,038.53
7/1/1998	107,370.55	45,060.73	62,309.82	475,728.71
1/1/1999	107,370.55	39,842.28	67,528.27	408,200.44
7/1/1999	107,370.55	34,186.79	73,183.76	335,016.68
1/1/2000	107,370.55	28,057.65	79,312.90	255,703.78
7/1/2000	107,370.55	21,415.19	85,955.36	169,748.42
1/1/2001	107,370.55	14,216.43	93,154.12	76,594.30
7/1/2001	83,009.07	6,414.77	76,594.30	0.00
Totals	$3,399,192.41	$2,399,192.41	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of 16-3/4% Conditional Sale Indebtedness

Group A Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,909.63	83,750.00	5,159.63	994,840.37
7/1/1983	88,909.63	83,317.88	5,591.75	989,248.62
1/1/1984	88,909.63	82,849.57	6,060.06	983,188.56
7/1/1984	88,909.63	82,342.04	6,567.59	976,620.97
1/1/1985	88,909.63	81,792.01	7,117.62	969,503.35
7/1/1985	88,909.63	81,195.91	7,713.72	961,789.63
1/1/1986	88,909.63	80,549.88	8,359.75	953,429.88
7/1/1986	88,909.63	79,849.75	9,059.88	944,370.00
1/1/1987	88,909.63	79,090.99	9,818.64	934,551.36
7/1/1987	88,909.63	78,268.68	10,640.95	923,910.41
1/1/1988	88,909.63	77,377.50	11,532.13	912.378.28
7/1/1988	88,909.63	76,411.68	12,497.95	899,880.33
1/1/1989	88,909.63	75,364.98	13,544.65	886,335.68
7/1/1989	88,909.63	74,230.61	14,679.02	871,656.66
1/1/1990	88,909.63	73,001.25	15,908.38	855,748.28
7/1/1990	88,909.63	71,668.92	17,240.71	838,507.57
1/1/1991	88,909.63	70,225.01	18,684.62	819,822.95
7/1/1991	88,909.63	68,660.17	20,249.46	799,573.49
1/1/1992	88,909.63	66,964.28	21,945.35	777,628.14
7/1/1992	88,909.63	65,126.36	23,783.27	753,844.87
1/1/1993	75,798.36	63,134.51	12,663.85	741,181.02
7/1/1993	86,078.66	62,073.91	24,004.75	717,176.27
1/1/1994	73,290.57	60,063.51	13,227.06	703,949.21
7/1/1994	94,987.76	58,955.75	36,032.01	667,917.20
1/1/1995	61,474.85	55,938.07	5,536.78	662,380.42
7/1/1995	83,816.79	55,474.36	28,342.43	634,037.99
1/1/1996	68,654.47	53,100.68	15,553.79	618,484.20
7/1/1996	78,762.68	51,798.05	26,964.63	591,519.57
1/1/1997	67,710.62	49,539.76	18,170.86	573,348.71
7/1/1997	76,567.84	48,017.95	28,549.89	544,798.82
1/1/1998	108,667.32	45,626.90	63,040.42	481,758.40
7/1/1998	108,667.32	40,347.27	68,320.05	413,438.35
1/1/1999	108,667.32	34,625.46	74,041.86	339,396.49
7/1/1999	108,667.32	28,424.46	80,242.86	259,153.63
1/1/2000	108,667.32	21,704.12	86,963.20	172,190.43
7/1/2000	108,667.32	14,420.95	94,246.37	77,944.06
1/1/2001	84,471.88	6,527.82	77,944.06	0.00
Totals	$3,281,811.00	$2,281,811.00	$1,000,000.00	

Schedule I
to
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each $1,000,000
of 16-3/4% Conditional Sale Indebtedness

Group B Equipment
(July 1, 1982 Deposit)

DATE	DEBT SERVICE	INTEREST	PRINCIPAL	BALANCE
	$ 0.0	$ 0.0	$ 0.0	$1,000,000.00
1/1/1983	88,210.17	83,750.00	4,460.17	995,539.83
7/1/1983	88,210.17	83,376.46	4,833.71	990,706.12
1/1/1984	88,210.17	82,971.64	5,238.53	985,467.59
7/1/1984	88,210.17	82,532.91	5,677.26	979,790.33
1/1/1985	88,210.17	82,057.44	6,152.73	973,637.60
7/1/1985	88,210.17	81,542.15	6,668.02	966,969.58
1/1/1986	88,210.17	80,983.70	7,226.47	959,743.11
7/1/1986	88,210.17	80,378.49	7,831.68	951,911.43
1/1/1987	88,210.17	79,722.58	8,487.59	943,423.84
7/1/1987	88,210.17	79,011.75	9,198.42	934,225.42
1/1/1988	88,210.17	78,241.38	9,968.79	924,256.63
7/1/1988	88,210.17	77,406.49	10,803.68	913,452.95
1/1/1989	88,210.17	76,501.68	11,708.49	901,744.46
7/1/1989	88,210.17	75,521.10	12,689.07	889,055.39
1/1/1990	88,210.17	74,458.39	13,751.78	875,303.61
7/1/1990	88,210.17	73,306.68	14,903.49	860,400.12
1/1/1991	88,210.17	72,058.51	16,151.66	844,248.46
7/1/1991	88,210.17	70,705.81	17,504.36	826,744.10
1/1/1992	88,210.17	69,239.82	18,970.35	807,773.75
7/1/1992	88,210.17	67,651.05	20,559.12	787,214.63
1/1/1993	88,210.17	65,929.23	22,280.94	764,933.69
7/1/1993	88,210.17	64,063.20	24,146.97	740,787.72
1/1/1994	74,867.02	62,040.89	12,826.13	727,960.59
7/1/1994	100,219.99	60,966.70	39,253.29	688,707.30
1/1/1995	58,343.69	57,679.24	664.45	688,042.85
7/1/1995	87,763.07	57,623.59	30,139.48	657,903.37
1/1/1996	72,988.95	55,099.41	17,889.54	640,013.83
7/1/1996	82,838.37	53,601.16	29,237.21	610,776.62
1/1/1997	66,285.60	51,152.54	15,133.06	595,643.56
7/1/1997	77,320.78	49,885.15	27,435.63	568,207.93
1/1/1998	75,542.42	47,587.41	27,955.01	540,259.92
7/1/1998	107,812.43	45,246.18	62,566.25	477,686.67
1/1/1999	107,812.43	40,006.26	67,806.17	409,880.50
7/1/1999	107,812.43	34,327.49	73,484.94	336,395.56
1/1/2000	107,812.43	28,173.13	79,639.30	256,756.26
7/1/2000	107,812.43	21,503.34	86,309.09	170,447.17
1/1/2001	107,812.43	14,274.95	93,537.48	76,909.69
7/1/2001	83,350.88	6,441.19	76,909.69	0.00
Totals	$3,367,019.09	$2,367,019.09	$1,000,000.00	

APPENDIX IV
to
Supplemental Participation
Agreement and Amendment

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	119.647	-
1/1/82	122.263	115.550
7/1/82	124.527	119.602
1/1/83	126.948	122.222
7/1/83	129.126	124.534
1/1/84	131.077	126.847
7/1/84	132.793	128.924
1/1/85	134.267	130.778
7/1/85	135.511	132.403
1/1/86	136.524	133.792
7/1/86	137.312	134.957
1/1/87	137.882	135.896
7/1/87	138.234	136.616
1/1/88	138.383	137.124
7/1/88	138.323	137.419

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	138.077	137.517
7/1/89	137.632	137.410
1/1/90	137.023	137.122
7/1/90	136.228	136.641
1/1/91	135.292	135.998
7/1/91	134.187	135.173
1/1/92	132.968	134.209
7/1/92	131.600	133.078
1/1/93	130.151	131.834
7/1/93	128.576	130.442
1/1/94	125.540	128.966
7/1/94	122.396	125.997
1/1/95	119.060	122.817
7/1/95	115.694	119.625
1/1/96	112.173	116.272
7/1/96	108.572	112.826
1/1/97	104.826	109.219
7/1/97	100.986	105.534
1/1/98	96.991	101.701
7/1/98	92.817	97.719
1/1/99	88.659	93.633
7/1/99	84.453	89.474
1/1/00	80.336	85.337
7/1/00	76.202	81.144
1/1/01	72.228	77.047
7/1/01	68.240	72.925
1/1/02	64.262	68.923
7/1/02	59.996	64.748
1/1/03	55.621	60.491
7/1/03	50.949	55.955
1/1/04	46.061	51.247
7/1/04	40.849	46.240
1/1/05	35.390	41.012
7/1/05	29.574	35.458
1/1/06	23.480	29.653
7/1/06	-	23.492

APPENDIX V
to
Supplemental Participation
Agreement and Amendment

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermiation or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	127.142	128.088	1/1/99	75.505	80.866
7/1/91	125.790	127.023	7/1/99	70.899	76.319
1/1/92	124.316	125.811	1/1/00	66.370	71.782
7/1/92	122.685	124.426	7/1/00	61.811	67.178
1/1/93	120.965	122.919	1/1/01	57.400	62.657
7/1/93	119.111	121.256	7/1/01	52.962	58.098
1/1/94	115.788	119.501	1/1/02	48.520	53.645
7/1/94	112.347	116.244	7/1/02	43.776	49.006
1/1/95	108.706	112.768	1/1/03	38.908	44.271
7/1/95	105.025	109.271	7/1/03	33.729	39.242
1/1/96	101.180	105.604	1/1/04	28.318	34.026
7/1/96	97.246	101.833	7/1/04	22.566	28.497
1/1/97	93.155	97.892	1/1/05	16.552	22.729
7/1/97	88.960	93.864	7/1/05	10.164	16.620
1/1/98	84.600	89.676	1/1/06	3.480	10.242
7/1/98	80.050	85.329	7/1/06	-	3.492

EXHIBIT A
to Supplemental Participation
Agreement and Amendment dated
as of March 1, 1982

[CS&M Ref: 2043-988]

PARTICIPATION AGREEMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

and

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor

Dated as of April 1, 1980

[Covering 1000 covered hopper cars]

NOTE
For convenience of reference, the Exhibits hereto have been conformed to the executed counterparts thereof.

PARTICIPATION AGREEMENT dated as of April 1, 1980, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee"), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTER-FUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated the date hereof with the Agent and the Owner substantially in the form of Exhibit D hereto (the "Trust Agreement"), and MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor").

The Owner, pursuant to the Trust Agreement, has authorized and directed the Trustee to purchase from Hawker Siddeley Canada Ltd. (the "Builder"), pursuant to a Conditional Sale Agreement dated as of the date hereof substantially in the form of Exhibit A hereto (the "CSA"), units of railroad equipment described in Annex B to the CSA. The units delivered and accepted under the CSA are hereinafter called the "Equipment". The Builder will retain the property and a security interest in the Equipment until the Trustee fulfills its obligations under the CSA.

The Lessee will enter into a Lease of Railroad Equipment with the Trustee in substantially the form attached to the CSA as Annex C thereto (the "Lease").

The Investor will finance 75% of the Purchase Price (as defined in the CSA) of the Equipment by investing in the Conditional Sale Indebtedness referred to in the CSA (the "CSA Indebtedness").

The security interest of the Builder and the property in the Equipment will be assigned to the Agent, acting on behalf of the Investor, pursuant to the Agreement and Assignment substantially in the form of Exhibit B hereto (the "Assignment").

The rental payments received by the Trustee under the Lease will be applied by the Trustee pursuant to the Trust Agreement (a) first, to satisfy the obligations of the

Trustee under the CSA and (b) second, so long as no event of default under the CSA shall have occurred and be continuing, to pay any balance to the Owner.

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

1. Basic Documents. Pursuant to the Trust Agreement, the Trustee will enter into the CSA and pursuant thereto purchase, as hereinafter provided, Equipment having an aggregate Purchase Price not exceeding U.S. $50,000,000.

On or before the First Delivery Date (as defined in Paragraph 7 hereof), the Trustee and the Lessee will enter into the Lease. Pursuant to the Assignment, the Agent will acquire from the Builder all its rights and security interest under the CSA, except as specifically excepted by such Assignment.

The Lessee hereby assigns, transfers and sets over unto the Trustee, its successors and assigns, all the right, title and interest of the Lessee in and to any contractual arrangements with the Builder (the "Purchase Order"), insofar as the Purchase Order relates to the Equipment; provided, however, that it is understood and agreed that all obligations of the Trustee to the Builder under the Purchase Order shall be superseded on the First Delivery Date by the CSA and the obligations of the Trustee to purchase and pay for the Equipment shall be exclusively and completely governed by, and subject to, the conditions provided herein and in the CSA.

The Lessee covenants with the Owner, the Trustee and the Builder (as a third-party beneficiary hereof) that, in the event of the exclusion of any unit of Equipment from the CSA pursuant to the second paragraph of Article 3 thereof or the first paragraph of Article 4 thereof, the Trustee will reassign, transfer and set over to the Lessee all the right, title and interest of the Trustee in and to the units so excluded and to the Purchase Order to the extent relating thereto and the Lessee will be obligated to purchase such units in accordance with and subject to the terms of the Purchase Order,

and the Trustee shall have no further right or obligation with respect thereto.

2. Investor's Deposits. Subject to the terms and conditions hereof, the Investor will pay to the Agent, in immediately available funds, not later than 11:00 a.m., Baltimore time, on each Closing Date (as defined in the CSA) an amount equal to the CSA Indebtedness being incurred on such date; provided, however, that the maximum commitment of the Investor shall not exceed U.S. $37,500,000. The Agent will give the Investor written notice of each Closing Date at least five business days prior thereto with an estimate of the amount to be paid on such date based on the then current exchange rate, and shall confirm by telephone to Mr. Louis V. Farrar (telephone No. 212-483-2420) or Mr. John G. Dickerson (telephone No. 212-483-2405) the exact amount to be paid not later than 3:00 p.m. on the business day immediately preceding such Closing Date.

The parties hereto contemplate that the Lessee will provide permanent investors who will, on or before June 30, 1981, acquire all the Investor's interest in the CSA Indebtedness. In connection with such acquisition, it is contemplated that this Agreement, the Lease and the CSA will be amended to set forth the terms agreed upon by the Lessee and the permanent investors, as more fully set forth in Paragraph 19 hereof.

Upon payment to the Agent of any amount required to be paid by the Investor pursuant to this Paragraph 2, the Agent will execute and deliver to the Investor (or, upon the written request of the Investor, to the nominee or nominees of the Investor), a certificate or certificates of interest with respect to such payment dated the date such payment shall have been made substantially in the form annexed hereto as Exhibit C. The Investor, simultaneously with the final payment to it of all amounts payable in respect of such certificate, will surrender such certificate to the Agent.

The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Baltimore, Maryland, Hartford, Connecticut, or New York, New York, are authorized or obligated to remain closed. All interest under this Agreement shall be calculated as provided in the CSA.

The forms of the Exhibits to this Agreement and the Annexes thereto are hereby approved by the Investor and the Agent is authorized to enter into such agreements to which it is a party. The Agent will not enter into or consent to any modification or supplement to such agreements that could adversely affect the interest of the Investor without the prior written approval of the Investor, it being agreed that changes in the provisions of the Lease which are not intended or necessary to satisfy the obligations of the Trustee under the CSA shall not be deemed to affect adversely the interest of the Investor.

The Owner may elect to substitute additional financial institutions to own (through one or more additional trusts) a portion of the Equipment. Provided that each such institution shall be reasonably satisfactory to the Lessee and the Investor (and to The Connecticut Bank and Trust Company if it is to act as trustee for such institution), the parties hereto agree that this Agreement and the documents in the forms attached hereto as exhibits may be amended to delete some of the 1,000 hopper cars initially covered thereby and that a substantially identical Participation Agreement and related documents will be entered into covering such deleted cars, with only such changes from this Agreement and the exhibits hereto as are necessary to describe the equipment covered thereby and provide for multiple owners. The Owner may not, however, revise this transaction as contemplated above if, in the Lessee's reasonable opinion, additional costs will be incurred by the Lessee as a result thereof (other than costs incidental to its review of documents) unless the Owner agrees to pay such costs, but any such costs paid by the Owner shall not constitute Transaction Expenses, as defined in Paragraph 13 hereof.

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

3. Lessee's Representations. The Lessee repre-

sents and warrants as follows:

(a) The Lessee is a body corporate created by the Canadian Wheat Board Act (Canada) and is for all purposes an agent of Her Majesty in right of Canada ("Canada"), and the obligations of the Lessee hereunder and under the Lease constitute direct obligations of Canada. The Lessee has been authorized and directed by His Excellency the Governor General in Council by Order in Council 13/3436, 13 December 1979, T.B.Rec. 768219, to contract for the lease, purchase or manufacture of 2,000 railway cars which include the Equipment, and the specifications for the Equipment have been duly approved by Canada as contemplated by such Order in Council. The Deputy Minister of Transport of Canada or other appropriate person has certified pursuant to Section 25 of the Financial Administration Act (Canada) that there is a sufficient unencumbered balance available out of an appropriation by the Parliament of Canada or an item included in estimates now before the House of Commons of Canada to discharge the commitments under this Agreement and the Lease that will, under the provisions hereof and thereof, come in course of payment during the present fiscal year as required by such Section 25. No other authorization or approval is required from any governmental or public body or authority in connection with the execution or delivery by the Lessee of this Agreement or the Lease, or the fulfillment of or compliance with the terms, conditions and provisions hereof and thereof.

(b) This Agreement and the Lease have been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties thereto, are legal and valid instruments, binding on Canada in accordance with their terms.

(c) Proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Lease, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations. No law in Canada requires the consent of any public

official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Lease; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada. Although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada (as defined in the Financial Administration Act (Canada)).

(d) The Lessee has not directly or indirectly offered or sold any interest in the trust established by the Trust Agreement or any of the CSA Indebtedness or other securities to, solicited offers to buy any interest in such trust or any of the CSA Indebtedness or other securities from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any interest in such trust or any of the CSA Indebtedness or other securities with, any person so as to require registration of the interests in such trust or the CSA Indebtedness or any other security involved in the transactions contemplated hereby under the Securities Act of 1933, as amended. The Lessee will not offer any interest in such trust or any CSA Indebtedness or other securities to, or solicit any offer to buy any thereof from, any other person or approach or negotiate with any other person in respect thereof, so as to require registration of such interests or CSA Indebtedness under said Securities Act.

4. Owner's Representations. The Owner represents and warrants as follows:

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

(b) The Owner has the corporate power and authority and legal right to carry on its business as now conducted and is duly authorized and empowered to execute and deliver this Agreement and the Trust

Agreement, and to fulfill and comply with the terms, conditions and provisions hereof and thereof.

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

(d) The Owner's investment in the Equipment pursuant to the Trust Agreement and this Agreement is being made with its general assets, and not directly or indirectly with the assets of, or in connection with any arrangement or understanding in any way involving, any employee benefit plan (other than a governmental plan), all within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Owner covenants that it will not transfer its interest acquired pursuant to this Agreement and the Trust Agreement directly or indirectly to, or in connection with any arrangement or understanding in any way involving, any employee benefit plan with respect to which the Owner knows or after reasonable investigation should have known the Builder, the Trustee in its individual capacity, the Agent or the Investor is at the time a party in interest, all within the meaning of ERISA.

(e) The Owner has not directly or indirectly offered or sold any interest in the trust established by the Trust Agreement or any of the CSA Indebtedness or other securities to, solicited offers to buy any interest in such trust or any of the CSA Indebtedness or other securities from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any interest in such trust or any of the CSA Indebtedness or other securities with, any person so as to require registration of the interests in such trust or the CSA Indebtedness or any other security involved in the transactions contemplated hereby under the Securities Act of 1933, as amended. The Owner will not offer any interest in such trust or any CSA Indebtedness or other securities to, or solicit any offer to buy any thereof from, any person or approach or negotiate with any other person in respect thereof, so as to require registration of such

interests or CSA Indebtedness under said Securities Act.

5. Trustee's Representations. The Trustee, in its individual capacity except as provided in Paragraph 16 hereof, represents and warrants as follows:

(a) It is a banking corporation duly organized, validly existing and in good standing under the laws of its state of incorporation.

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

(c) This Agreement, the Trust Agreement, the CSA, the Lease and the Acknowledgment of Notice of Assignment have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute legal, valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with their terms.

(d) The Trustee is not entering into this Agreement, or any other transaction contemplated hereby, directly or indirectly in connection with any arrangement in any way involving any employee benefit plan (other than a governmental plan) with respect to which it in its individual capacity, or, to the best of its knowledge, the Owner, the Builder or the Investor is a party in interest, all within the meaning of ERISA. The Trustee covenants that it will not transfer its interests acquired pursuant to this Agreement (and the transactions contemplated herein) to any other person which to the best of its knowledge is at the time a party in interest with respect to any employee benefit plan the assets of which were used by the Owner or the Investor in making its investment pursuant to this Agreement, all within the meaning of ERISA.

6. Investor's Representations. The Investor represents that it is acquiring its interest in the CSA Indebtedness for its own account for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same (except for the transfer of its interest to the permanent investors herein contemplated), but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control.

The interest of the Investor hereunder has not been registered under the Securities Act of 1933, as amended, and, accordingly, must be held indefinitely, unless an exemption from registration is available. The Investor hereby agrees that any transfer shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement. Prior to any such transfer the Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to the Investor an appropriate agreement, to be entered into among the Investor, such transferee and the Agent, evidencing such transfer upon the terms hereof.

The Investor further represents that it is not acquiring its interest in the CSA Indebtedness directly or indirectly with the assets of, or in connection with any arrangement or understanding by it in any way involving, any employee benefit plan with respect to which the Owner, the Builder, the Agent or the Trustee in its individual capacity is a party in interest, all within the meaning of ERISA, which investment, arrangement or understanding could result in a prohibited transaction under ERISA.

7. First Delivery Date Conditions. The obligation of the Investor to deposit funds pursuant to Paragraph 2 hereof and of the Agent to make payment on each Closing Date to the Builder pursuant to the CSA out of funds so deposited shall be subject to the terms and conditions of the CSA and the Assignment and to the receipt by the Agent, on or prior to the first date of delivery of any unit of Equipment under the CSA (such date being hereinafter called the "First Delivery Date"), of the following documents, dated on or (except in the case of the documents referred to in subparagraphs (i), (j) and (k)) not more than seven days prior to the First Delivery Date, in form and scope

satisfactory to the Investor and its special counsel:

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

(i) this Agreement, assuming due authorization, execution and delivery by the Investor, has been duly authorized, executed and delivered and constitutes a legal, valid and binding instrument;

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

(iii) the Assignment and the Trust Agreement have been duly authorized, executed and delivered by the Trustee and are legal and valid instruments, binding on the Trustee in accordance with their terms;

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

(v) the CSA, the Assignment and the Lease have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States interstate commerce, Uniform Commercial Code financing statements naming the Trustee as debtor and the Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia;

(vi) no authorization or approval from any governmental or public body or authority of the

United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, the CSA, the Assignment, the Lease or the Trust Agreement;

(vii) under the circumstances contemplated by this Agreement it is not necessary to register the CSA or the Assignment under the Securities Act of 1933, as amended, or to qualify the CSA, the Trust Agreement or this Agreement under the Trust Indenture Act of 1939, as amended; and

(viii) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f), (g) and (h) of this Paragraph 7 are satisfactory to said special counsel and in their opinion the Investor and they are justified in relying thereon;

and as to such other matters incident to the transactions contemplated by this Agreement as the Investor may reasonably request;

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Canada, and the obligations of the Lessee hereunder and under the Lease constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes a legal and valid instrument, binding on Canada in accordance with its terms;

(iii) the Lease has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the Trustee, is a legal and valid instrument, binding on Canada in accordance with its terms;

(iv) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into or, to the knowledge of said counsel, performance of this Agreement, the CSA, the Lease or the Assignment except those which have been duly obtained or accomplished;

(v) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery, registration, depositing, filing or recording of this Agreement, the CSA, the Lease or the Assignment have been paid;

(vi) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Lease, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Lease; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vii) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in this Agreement and the Lease and will apply the laws of the State of Connecticut in construing this Agreement and the Lease;

(viii) the CSA, the Assignment and the Lease

have been duly registered in the appropriate registries pursuant to the Conditional Sales Acts of British Columbia, Alberta and Saskatchewan and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Saskatchewan, Alberta and British Columbia within three years (or, in the case of Saskatchewan, four years) of the initial registration and within three years of every renewal thereafter, and within five years of the initial registration and within five years of every renewal thereafter in the Counties of Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the CSA and the Assignment;

(ix) subject to the rights of the Lessee under the Lease and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the CSA are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(x) Financing Statements have been registered giving notice of the CSA and the Lease and Financing Change Statements have been registered giving notice of the Assignment in accordance with the Personal Property Security Acts of Ontario and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the foregoing agreements has been duly perfected in Ontario and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario and

Manitoba the rights of the Agent in and to the Equipment under the CSA and the Assignment; and

(xi) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the CSA and the Assignment, nor for the taking of any other action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment lost or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (vi) of subparagraph (a) of this Paragraph 7,

insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver the Trust Agreement and, acting pursuant thereto, this Agreement, the CSA, the Lease and the Acknowledgment of Notice of Assignment and to observe and perform the provisions hereof and thereof;

(ii) this Agreement, the Trust Agreement, the CSA and the Lease have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, are legal and valid instruments, binding on the parties thereto in accordance with their terms; and

(iii) Uniform Commercial Code financing statements with respect to the CSA, the Assignment and the Lease naming the Trustee as debtor and the Agent as secured party have been duly filed in all offices where required in Connecticut and, assuming the filing thereof pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent in such documents or in the Equipment in such state;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) the Owner is a corporation duly incorporated, validly existing and in good standing under the laws of its state of incorporation;

(ii) this Agreement and the Trust Agreement have been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, are legal, valid and binding

instruments, enforceable against the Owner in accordance with their terms;

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

(iv) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution, delivery and performance by the Owner of this Agreement or the Trust Agreement;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee to the effect set forth in subparagraph (b) of this Paragraph 7;

(f) an opinion of Henry B. Monk, Esq., General Counsel of the Lessee, to the effect set forth in clauses (i), (ii), (iii), (iv), (vi) and (vii) of subparagraph (b) of this Paragraph 7;

(g) an opinion of counsel for the Builder to the effect that (i) the Builder is a duly organized and existing corporation under the laws of its jurisdiction of incorporation and has the power and authority to own its properties and to carry on its business as now conducted and (ii) the CSA and the Assignment have been duly authorized, executed and delivered by the Builder and, assuming due authorization, execution and delivery by the Trustee or the Agent, as the case may be, constitute the legal, valid and binding agreements of the Builder enforceable against the Builder in accordance with their terms;

(h) an opinion of counsel for the Agent to the effect that this Agreement and the Assignment have been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery

thereof by the Builder, the Assignment is a legal, valid and binding instrument;

(i) a certificate dated the First Delivery Date of an officer of the Lessee (i) to the effect that (A) the Lessee is not in default under, and to its knowledge there is no event which with the passage of time or the giving of notice or both would place the Lessee in default under, this Agreement or the Lease and (B) the representations and warranties of the Lessee set forth in Paragraph 3 hereof are true and correct as of the First Delivery Date as if made on and as of such date and (ii) stating that the Lessee is in compliance with the requirements under § 7 of the Lease as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Equipment or in respect of any similar equipment owned or leased by the Lessee;

(j) a certificate dated the First Delivery Date of an officer of the Trustee to the effect that (i) the Trustee is not in default under this Agreement or the CSA and (ii) the representations and warranties of the Trustee in Paragraph 5 hereof are true and correct as of the First Delivery Date as if made on and as of such date; and

(k) a certificate dated the First Delivery Date of an officer of the Owner to the effect that (i) the Owner is not in default under this Agreement or under the Trust Agreement, (ii) no Federal tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) or, to the best of the knowledge and belief of such officer, other tax liens, have been filed and are currently in effect against the Owner which could adversely affect the interests of the Agent in the Equipment or the Lease or the rentals or other payments due or to become due thereunder and (iii) the representations and warranties of the Owner in Paragraph 4 hereof are true and correct as of the First Delivery Date as if made on and as of such date.

In giving the opinions specified in subparagraphs (a) through (g) of this Paragraph 7, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed

by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 7, counsel may rely (i) as to authorization, execution and delivery by the Builder of the documents executed by the Builder, on the opinion of counsel for the Builder and (ii) as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent, the Builder and the Lessee as to such matter. In addition, the opinion specified in subparagraph (c) of this Paragraph 7 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the CSA, the Lease and the Trust Agreement may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies provided in the CSA and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the CSA and the Lease, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the CSA and the Lease to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 7, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 7, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the CSA and the Assignment, on the opinions of counsel for

the Agent and the Trustee and (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 7, counsel may (i) assume that the Builder transfers good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinion specified in subparagraph (g) of this Paragraph 7, counsel for the Builder may assume that the law of the State of Connecticut (in the case of the CSA) or Maryland (in the case of the Assignment) is the same as the law of the principal place of business of the Builder and may assume the timely recording or filing of the CSA, the Lease and any other documents relating thereto or copies or notices thereof in accordance with the laws of all jurisdictions in which such recording or filing may be required.

8. Conditions to Owner's Obligations. The obligation of the Owner to furnish funds and to cause the Trustee to make payment (including the obligation to make payment to the Lessee pursuant to the proviso to subparagraph (a) of the third paragraph of Article 4 of the CSA) for the units of Equipment on any Closing Date shall be subject to the terms and conditions of the CSA and the Lease and (i) the receipt by the Owner and the Trustee on or before the First Delivery Date of opinions of counsel and certificates, dated and to the same effect as the opinions and certificates set forth in subparagraphs (b) through (j), respectively, of Paragraph 7 hereof, (ii) the receipt by the Agent on or before the First Delivery Date of the opinions of counsel and certificates it is to receive pursuant to Paragraph 7 hereof and (iii) the receipt by the Owner and the Trustee on or before the First Delivery Date of a written opinion of an independent appraiser (who may be an employee of Canadian Pacific Limited) to the effect that the Equipment has an estimated useful life of at least 33.5 years and an estimated fair market value (without including in such value any increase or decrease for inflation or deflation, and after subtracting from such value any cost to the Trustee for removal and delivery of possession of the Equipment to the Trustee) at the expiration of the term of the Lease of at least 20% of the Purchase Price.

The Lessee shall furnish the Agent, the Owner, the Investor and the Trustee at least five business days'

prior written notice of the First Delivery Date, which notice may be waived by the parties entitled to receive it.

9. Closing Date Procedures. Subject to the terms and conditions hereof, upon (i) each delivery to the Trustee under the CSA of a Group (as therein defined) of the Equipment, (ii) the receipt on the First Delivery Date of the documents set forth in Paragraph 7 hereof and satisfaction of the conditions set forth therein and (iii) the receipt by the Agent of the documents with respect to such Group which are to be delivered by the Builder in accordance with Section 4 of the Assignment, the Agent will on each Closing Date pay to the Builder, in accordance with the Assignment, out of moneys paid to the Agent pursuant to Paragraph 2 hereof the amount required to be paid to the Builder pursuant to Article 4 of the Assignment with respect to such Group.

The payments to be made to the Builder on the Closing Date by the Trustee under the CSA and the Agent under the Assignment are to be made in Canadian funds, while the deposits to be made by the Investor hereunder and payments of principal and interest on CSA Indebtedness are to be made in U.S. funds. In order to facilitate the conversion of currencies, the Agent will, within the 10-day period ending on the business day immediately preceding each Closing Date, make such arrangements as shall be agreed to by the Lessee for the purchase of Canadian funds for delivery on such Closing Date, so that all payments made to the Builder on such Closing Date shall have been converted at an identical exchange rate. As provided in the CSA, the exchange rate actually used by the Agent in making such funds purchase shall be final and conclusive for all purposes in thereafter determining the U.S. funds amount of the Purchase Price and CSA Indebtedness with respect to the Equipment settled for on such Closing Date.

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

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

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

All payments to be made by the Agent hereunder shall (subject to timely receipt by the Agent of available funds) be made by check mailed to the Investor on the date such payment is due or, upon written request of the Investor, by bank wire transfer of immediately available funds to the Investor at such address as may be specified to the Agent in writing.

So long as, to the actual knowledge of the Agent, the Lessee is not in default under this Agreement, and no event of default or event which with lapse of time and/or giving of notice provided for in the CSA or the Lease could constitute an event of default under the CSA or an Event of Default under the Lease shall have occurred and be continuing (any such default, event of default or event being hereinafter called a "Default"), the Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights or taking or refrain-

ing from taking any action which may be vested in it, or which it may be entitled to assert or take, hereunder or under the CSA or under the Trust Agreement, except as otherwise specifically provided herein. The Agent shall not incur any liability hereunder or otherwise in acting upon any notice, certificate or other paper or instrument believed by it to be genuine and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the exercise of its best judgment, or which may seem to it to be necessary or desirable in the premises, except liability resulting from its own misconduct or negligence; provided, however, that in case the Agent shall have actual knowledge of the occurrence of a Default it shall promptly notify the Trustee, the Owner, the Lessee and the Investor thereof and shall take such action and assert such rights under the CSA and the Trust Agreement as shall be agreed upon by the Investor. In case the Agent is required to take action hereunder, it shall be indemnified against any liability or expense, including reasonable counsel fees, in connection with taking such action or asserting such rights by the Investor.

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

The Agent will promptly mail or deliver to the Investor one counterpart or copy of all notices, statements, documents or schedules received by it from the Trustee or the Lessee pursuant hereto or pursuant to the CSA or the Trust Agreement.

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

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

In the event of any dispute with respect to the delivery or ownership or right to possession of funds or documents at any time held by the Agent hereunder, or with respect to title to any unit of the Equipment, the Agent is hereby authorized and directed to retain, without liability to anyone, all or any of such funds or documents or title to such unit until such dispute shall have been settled either by agreement of the Investor or by final order, decree or judgment of a court of competent jurisdiction.

The Agent shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Investor, the Trustee, the Owner and the Lessee that it desires to terminate such duties and responsibilities on a date (at least 30 days subsequent to the giving of such notice) stated in said notice; it being understood and agreed that the Agent shall also give such notice if it is directed so to do by the Investor. If, prior to the date stated in said notice, the Investor shall have requested in writing that the Agent assign to a person or institution designated by the Investor all right, title and interest of the Agent under the CSA, the Assignment and the Trust Agreement and in and to the Equipment, the Agent shall comply with such request. In the event that such request is not received by the Agent on or before the date designated in said notice, the Agent shall be entitled to appoint a successor to act hereunder (which successor shall be a bank or trust company located in any state of the United States of America or the District of Columbia having capital and surplus aggregating at least $50,000,000) and to assign to such successor, subject to the provisions of this Agreement, all such right, title and interest of the Agent. Upon such assignment by the Agent to a person or institution designated by the Investor or, in the absence of such designation, to a successor appointed by the Agent, the Agent shall thereupon be relieved of all duties and responsibilities hereunder.

11. Lessee Reports. The Lessee will deliver to the Owner and the Agent copies (including an additional copy for the Agent to be transmitted to the Investor) of such reports with respect to its general business activities and financial affairs as it may from time to time publish generally, and will furnish such other information with respect to its activities and financial affairs as the Owner or the Investor may reasonably request from time to time.

12. Addresses. All deposits to be made hereunder

by the Investor with the Agent shall be wired to The Annapolis Banking and Trust Company, Main Street and Church Circle, Annapolis, Maryland, for credit to the Agent's Account No. 52076-1, with a request that The Annapolis Banking and Trust Company advise Mrs. K. M. Tollberg, Assistant Vice President, Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, that the deposit is "Re: Canadian Wheat Board 4/1/80". All documents and other funds deliverable hereunder to the Agent shall be delivered to it at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or as the Agent may otherwise specify.

All documents and funds deliverable hereunder to the Investor shall be delivered or mailed to it at 23 Wall Street, New York, New York 10015, Attention of Mr. John G. Dickerson, or as the Investor may otherwise specify.

All documents and funds deliverable hereunder to the Trustee shall be delivered to it at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department.

All documents and funds deliverable hereunder to the Lessee shall be delivered to it at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Canada, Attention of Treasurer/ Comptroller.

All documents and funds deliverable hereunder to the Owner shall be delivered to it at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer.

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

13. Expenses. Without limiting the provisions of the Trust Agreement, the Owner agrees to pay or cause to be paid (i) all of the costs and expenses incurred by the Trustee and the Agent in connection with the preparation, execution and delivery of this Agreement, the Trust Agreement, the CSA, the Assignment, the Lease or any amendments, supplements or waivers with respect hereto or thereto (except any thereof requested by the Lessee other than for the purpose of effecting the transactions contemplated by Paragraph 19 hereof), including the reasonable fees and disbursements of (1) Messrs. Cravath, Swaine & Moore as special counsel for the Agent, the Investor and such permanent investors, (2) Messrs. Tory, Tory, DesLauriers &

Binnington, special Canadian counsel for the Agent, the Investor, the Owner and such permanent investors, (3) Messrs. Day, Berry & Howard, counsel for the Trustee, and (4) Messrs. Ober, Grimes & Shriver, counsel for the Agent, (ii) the reasonable fees and disbursements of the Agent and the Trustee except those incurred subsequent to termination of the Lease by the Agent after the occurrence of an Event of Default (as defined in the Lease) or attributable to periods during the continuance of a Declaration of Default made under the CSA while an Event of Default shall have occurred and be continuing and (iii) the fees and expenses of Salomon Brothers and Wood Gundy Incorporated in connection with the arranging of financing by the permanent investors (collectively the "Placement Fees"), but excluding any Placement Fees exceeding in the aggregate 3/8 of 1% of the aggregate CSA Indebtedness. All of the foregoing costs, fees, expenses and disbursements, together with the reasonable fees and disbursements of Messrs. Davis Polk & Wardwell, counsel for the Owner, are herein and in the Lease called "Transaction Expenses". The Owner will also pay or cause to be paid (x) any Placement Fees exceeding in the aggregate 3/8 of 1% of the aggregate CSA Indebtedness and (y) a commitment fee to the Investor on the average daily unused portion of the Investor's commitment to make deposits hereunder from the date of execution of this Agreement by the Investor to the Cut-Off Date (as defined in the CSA) at the rate of 3/8 of 1% per annum, payable on the Cut-Off Date, but any such payment pursuant to the foregoing clause (x) or (y) will result in an adjustment of the rentals payable by the Lessee under the Lease to preserve the Owner's Net Economic Return (as defined in the Lease) as provided in the Lease. In the event that the aggregate Transaction Expenses exceed .6% of the total Purchase Price of all the Equipment delivered and accepted under the CSA, such excess amount paid by the Owner will result in an adjustment of the rentals payable by the Lessee under the Lease to preserve Net Economic Return as provided in the Lease.

Notwithstanding the foregoing provisions of this Paragraph 13, but without limiting the provisions of the Trust Agreement, the Owner shall not be required to pay any amount pursuant to this Paragraph 13 which the Lessee shall be obligated to pay under § 25 of the Lease.

14. Notice of Default. In the event that the Owner, the Trustee or the Lessee shall have knowledge of an event of default under the Lease or the CSA, such party

shall give prompt notice by telephone (confirmed in writing) thereof to the Agent and, in the case of notices by the Trustee and the Lessee, to the Owner. In the case of the Trustee, knowledge shall mean actual knowledge of an officer or employee of the Corporate Trust Department of the Trustee.

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

16. Nonrecourse Nature of Trustee's Obligations. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, undertakings and agreements herein made on the part of the Trustee (except for the representations and warranties made by the Trustee in subparagraphs (a), (b) and (d) of Paragraph 5 hereof and, insofar as said subparagraph relates to the Trust Agreement, in subparagraph (c) of Paragraph 5 hereof) are each and every one of them made and intended not as personal representations, warranties, undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding it 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 (except as aforesaid) this Agreement is executed and delivered by The Connecticut Bank and Trust Company solely in the exercise of the powers expressly conferred upon it as trustee 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 it or the Owner on account of any representation, warranty, undertaking or agreement herein of the Trustee (except as aforesaid), either expressed or implied, all such personal liability (except as aforesaid), if any, being expressly waived and released by the Lessee, the Agent and the Investor and by all persons claiming by, through or under the Lessee, the Agent and the Investor; provided, however, that the Lessee, the Agent and the Investor or any person claiming by, through or under any of them, making claim hereunder, may look to the Trust Estate for satisfaction of the same.

The Investor and any assignee thereof of any portion of the Investor's interest in the CSA Indebtedness shall have no further interest in or other right with respect to the Trust Estate when and if the principal of and interest on the CSA Indebtedness and such other sums as are payable to such party hereunder, under the CSA and the Assignment shall have been paid in full. The Investor agrees that it will look solely to the Trust Estate, to the extent available for distribution to the Agent as provided in the Trust Agreement, the CSA and the Assignment, for all payments to be made to it in respect of the CSA Indebtedness and that the Owner shall not be personally liable to the Investor or to any assignee thereof of any portion of the Investor's interest in the CSA Indebtedness for any amounts payable in respect of the CSA Indebtedness, except for the obligations set forth in the proviso in the third paragraph of Article 12 of the CSA, the payments to be made pursuant to subparagraph (a) of the third paragraph of Article 4 of the CSA and Sections 1.03 and 5.02 of the Trust Agreement.

17. Owner Assets. It is further understood and agreed that the assets of the Owner (other than those included in the Trust Estate) shall not be subject in any way to any claim by the Agent or the Investor by reason of any of the obligations of the Trustee hereunder or under the Trust Agreement, the CSA or the Lease, by way of any bankruptcy law (including, without limitation, any reorganization of the Trust Estate under the Bankruptcy Reform Act of 1978, as amended (the "Act")) or otherwise, except for the obligations of the Owner under Sections 1.03 and 5.02 of the Trust Agreement. If for any reason, whether or not related to the Act, the Investor shall recover from the Trustee or the Owner any amount by reason of any circumvention of the nonrecourse provisions contained herein or in the CSA, the Investor hereby irrevocably agrees to return promptly such amount recovered to the Trustee or the Owner.

18. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

19. Permanent Financing. (a) As described in Paragraph 2 hereof, it is contemplated that permanent investors will purchase all of the interest of the Investor hereunder. The issuance of debt to such permanent investors will constitute either a private placement of debt to a group of institutional investors in a transaction exempt from the registration provisions of the Securities Act of 1933, as amended, or an underwritten public offering of debt registered under that Act. The parties agree to cooperate fully in the preparation of the documents required to effect such purchase. Such documents will, except to the extent otherwise agreed by the Owner, be so prepared as to preserve the Owner's election to substitute additional financial institutions as owners of a portion of the units of Equipment, as provided in Paragraph 2 hereof.

(b) In the event that on or before September 30, 1980, either

(i) legal and binding undertakings (subject to no conditions not previously consented to by the Owner) shall not have been obtained from institutional investors to purchase, on or before June 30, 1981, sufficient debt securities to allow the refunding, on or before June 30, 1981, of the entire interest of the Investor; or

(ii) sufficient funds from a public offering of debt securities shall not have been obtained to allow the refunding, on or before June 30, 1981, of the entire interest of the Investor; or

(iii) from a combination of the foregoing, funds from such a public offering and legal and binding undertakings (subject to no conditions not previously consented to by the Owner) shall not have been obtained from institutional investors, including institutional investors who have agreed to take delayed delivery of securities offered in such public offering, to purchase, on or before June 30, 1981, debt securities sufficient, with the funds obtained from such public offering, to allow the refunding, on or before June 30, 1981, of the entire interest of the Investor;

then the Owner, at its sole and untrammeled discretion, may elect, such election to be made on any date after September 30,

1980, and on or prior to July 1, 1981, as specified by the Owner,

(x) with respect to such units of Equipment as shall not have theretofore been delivered to and accepted by the Trustee under the CSA, to cancel all of the obligations of the Owner and the Trustee with respect to all or part of such units (which shall be purchased by the Lessee as provided in Paragraph 1 hereof), and

(y) with respect to such units of Equipment as shall have theretofore been delivered to and accepted by the Trustee (and any units not so delivered and accepted but as to which the Owner has not elected to cancel its and the Trustee's obligations with respect thereto), to purchase on January 1, 1981, or, if such election is made after January 1, 1981, on July 1, 1981, for a purchase price equal to the unrepaid investment of the Investor, all of the Investor's interest hereunder, or a designated part thereof related to a specified number of units of Equipment.

The parties agree to cooperate fully in the preparation of the documents required to implement the foregoing provisions.

(c) In the event that permanent investors shall provide permanent financing for any of the Equipment through a public offering of debt securities, neither the Lessee nor any affiliate of the Lessee will during the term of the Lease purchase any of the securities which may have been sold through such public offering.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, as Agent of Her Majesty in right of Canada,

by

W. E. Jarvis
Chief Commissioner

R. L. Kristjanson
Ass't. Chf. Commissioner

Attest:

F. H. Gilbert
Corporate Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

by
R. E. Schreiber
Assistant Vice President

J. P. MORGAN INTERFUNDING CORP.,

by
C. J. Mantalé
Cathleen J. Mantalé
Manager

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by
Donald Smith
Authorized Officer

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by
John G. Dickerson

June 4, 1980

EXHIBIT A
to
Participation Agreement

[CS&M Ref: 2043-988]

CONDITIONAL SALE AGREEMENT

Dated as of April 1, 1980

Between

THE CONNECTICUT BANK AND TRUST COMPANY,
as Trustee

and

HAWKER SIDDELEY CANADA LTD.

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on June 10, 1980, at 12:15 p.m., recordation number 11886. A U.C.C. financing statement with respect to the equipment described in the CSA was filed with the Office of the Secretary of State of the State of Connecticut on June 12, 1980, at 9:26 a.m., recordation number 424564.

TABLE OF CONTENTS

		Page No.
ARTICLE 1.	Assignment; Definitions	C-1
ARTICLE 2.	Construction and Sale	C-2
ARTICLE 3.	Inspection and Delivery	C-2
ARTICLE 4.	Purchase Price and Payment	C-4
ARTICLE 5.	Retention of Property and Security Interest in the Equipment	C-9
ARTICLE 6.	Taxes	C-10
ARTICLE 7.	Maintenance, Termination and Casualty Occurrences	C-11
ARTICLE 8.	Reports and Inspections	C-12
ARTICLE 9.	Marking of Equipment	C-13
ARTICLE 10.	Compliance with Laws and Rules	C-13
ARTICLE 11.	Possession and Use	C-13
ARTICLE 12.	Prohibition Against Liens	C-14
ARTICLE 13.	Indemnities and Warranties	C-15
ARTICLE 14.	Assignments	C-17
ARTICLE 15.	Defaults	C-18
ARTICLE 16.	Remedies	C-20
ARTICLE 17.	Applicable Laws	C-25
ARTICLE 18.	Recording	C-26
ARTICLE 19.	Article Headings; Effect and Modification of Agreement	C-26
ARTICLE 20.	Notice	C-26
ARTICLE 21.	Immunities; Satisfaction of Undertakings	C-27
ARTICLE 22.	Law Governing	C-28
ARTICLE 23.	Execution	C-28
ARTICLE 24.	Judgment	C-28
ANNEX A	Information Concerning Equipment	
ANNEX B	Schedule of Equipment	
ANNEX C	Form of Lease	

CONDITIONAL SALE AGREEMENT dated as of April 1, 1980, between HAWKER SIDDELEY CANADA LTD., a Canadian corporation (the "Vendor" or the "Builder" as more particularly set forth in Article 1 hereof), and THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee (the "Vendee"), under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with Mercantile-Safe Deposit and Trust Company (the "Assignee" or the "Vendor") and J. P. Morgan Interfunding Corp. (the "Owner").

The Builder agrees to construct, sell and deliver to the Vendee, and the Vendee agrees to purchase, the railroad equipment described in Annex B hereto (the "Equipment").

The Vendee is entering into a lease dated as of the date hereof with The Canadian Wheat Board, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee"), substantially in the form annexed hereto as Annex C (the "Lease").

The Assignee is acting as agent under a Participation Agreement dated as of the date hereof (the "Participation Agreement"), among the Assignee, the Owner, the Lessee, the Vendee and Morgan Guaranty Trust Company of New York (the "Investor").

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. Assignment; Definitions. The parties hereto contemplate that the Vendee will furnish that portion of the Purchase Price (as hereinafter defined) for the Equipment as is required under subparagraph (a) of the third paragraph of Article 4 hereof and that an amount equal to the balance of such Purchase Price shall be paid to the Builder by the Assignee pursuant to an Agreement and Assignment dated as of the date hereof between the Builder and the Assignee (the "Assignment").

The term "Vendor", whenever used in this Agreement, means, before any assignment of its rights hereunder,

the party hereto which has manufactured the Equipment and any successor or successors for the time being to its manufacturing properties and business, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained or excluded from any assignment; and the term "Builder", whenever used in this Agreement, means, both before and after any such assignment, the party hereto which has manufactured the Equipment and any successor or successors for the time being to its manufacturing properties and business.

In case of such assignment, the Vendee will enter into the Lease with the Lessee to provide, among other things, for the payment and performance of all the Vendee's obligations hereunder.

ARTICLE 2. Construction and Sale. Pursuant to this Agreement, the Builder shall construct the Equipment at its plant described in Annex B hereto, and the Builder will sell and deliver to the Vendee, and the Vendee will purchase from the Builder and accept delivery of and pay for (as hereinafter provided), the Equipment, each unit of which shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Builder, the Vendee and the Lessee (which specifications and modifications, if any, are hereinafter called the "Specifications"). The design, quality and component parts of each unit of the Equipment shall conform, on the date of completion of manufacture thereof, to all Department of Transport (Canada), United States Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as then being applicable to each such unit of Equipment, and each such unit will be new railroad equipment.

ARTICLE 3. Inspection and Delivery. The Builder will deliver the units of the Equipment to the Vendee at the place or places specified in Annex B hereto, freight and storage charges, if any, prepaid and included in the Purchase Price (as hereinafter defined), in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that delivery of any unit of the Equipment shall not be made until the Builder shall have been

notified by the Assignee that the conditions (including the receipt of opinions of counsel as to the necessary filing and recording of documents) contained in Paragraph 7 of the Participation Agreement have been met or waived and the Builder shall have been notified by the Vendee that the conditions contained in Paragraph 8 of the Participation Agreement have been met or waived; and provided further that the Builder shall not have any obligation to deliver any unit of Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) of Article 15 hereof or the occurrence of any event of default (as described in Article 15 hereof), or event which, with the lapse of time and/or demand, could constitute such an event of default. The Builder agrees not to deliver any unit of Equipment hereunder following receipt of written notice from the Vendee or the Assignee (a) of the commencement of any such proceedings or the occurrence of any such event, as aforesaid, or (b) that any of the conditions contained in Paragraph 7 or 8 of the Participation Agreement have not been met or waived. The Builder's forbearance so to deliver shall not in any way adversely affect the rights of the Builder.

Any Equipment not delivered at the time of receipt by the Builder of the notice specified in the second sentence of the first paragraph of this Article 3 and any Equipment not delivered and accepted hereunder on or prior to December 31, 1980, and any Equipment covered by any election of the Owner pursuant to clause (b)(x) of Paragraph 19 of the Participation Agreement, shall be excluded from this Agreement, and the Vendee shall be relieved of its obligation to purchase and pay for such Equipment. If any Equipment shall be excluded herefrom pursuant to the immediately preceding sentence, the Builder and the Vendee shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom; and pursuant to the Participation Agreement the Lessee has agreed to purchase such excluded Equipment and any Equipment excluded from this Agreement pursuant to the first paragraph of Article 4 hereof from the Builder thereof as provided in Paragraph 1 of the Participation Agreement.

The Builder's obligation as to the time of delivery set forth in Annex B is subject, however, to delays resulting from causes beyond the Builder's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, lockouts, differences with workmen, accidents, fire, flood, explosion, damage to plant,

equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Vendee (who may be employees or agents of the Lessee), and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect the materials used in the construction of its Equipment in accordance with the standard quality control practices of the Builder. Upon completion of each unit or a number of units of the Equipment, such unit or units shall be presented to an inspector of the Vendee for inspection at the place specified for delivery of such unit or units, and if each such unit conforms to the Specifications, requirements and standards applicable thereto, such inspector or an authorized representative of the Vendee (who may be an employee or agent of the Lessee) shall execute and deliver to the Builder a certificate of acceptance (the "Certificate of Acceptance"), substantially in the form of Schedule D to the Lease; provided, however, that the Builder shall not thereby be relieved of its warranties set forth or referred to in Article 13 hereof.

On delivery and acceptance of each such unit hereunder at the place specified for delivery, the Builder shall not have any further responsibility for, nor bear any risk of, any damage to or the destruction or loss of such unit; provided, however, that the Builder shall not thereby be relieved of its warranties set forth or referred to in Article 13 hereof.

Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the delivery to and acceptance by or on behalf of the Vendee of any unit of Equipment excluded from this Agreement pursuant to the first paragraph of Article 4 hereof shall be ineffective, ab initio, to create in or transfer to the Vendee any legal or beneficial right or interest in such unit or (except as provided in the first paragraph of Article 4 hereof) to impose on the Vendee any liability, obligation or responsibility with respect thereto; any right or interest in any such unit created in or transferred to, or purported to be created in or transferred to, the Vendee shall be held by the Vendee solely as trustee for the benefit of the Lessee.

ARTICLE 4. Purchase Price and Payment. The base price or prices per unit of the Equipment are set forth in Annex B hereto and are subject to increase or decrease as

set forth in Item 2 of Annex A hereto. Such base price or prices are also subject to such increase or decrease as is agreed to by the Builder, the Vendee and the Lessee. The term "Invoice Price" as used herein shall mean the base price or prices as so increased or decreased as set forth in the invoice or invoices of the Builder delivered to the Vendee (the "Invoices") and, if the Invoice Price is greater than the base price or prices set forth in Annex B, the Invoices shall be accompanied by, or have endorsed thereon, the agreement or approval of the Lessee and the Vendee; provided, however, that for all purposes of this Agreement other than for the purpose of determining the amount payable to the Builder pursuant to subparagraph (a) of the third paragraph of this Article 4, the term Invoice Price shall be deemed to mean the amount specified in the Builder's invoice but expressed in United States dollars based on the actual cost to the Vendee and the Assignee of the Canadian dollars used to make the payments to the Builder pursuant to subparagraph (a) of the third paragraph of this Article 4 and Section 4 of the Assignment. The term "Purchase Price" as used herein shall mean the sum of (x) the Invoice Price plus (y) U.S. $1,100 per unit of Equipment (the "Order Fee"). If on any Closing Date (as hereinafter defined in this Article) the aggregate Purchase Price of Equipment for which settlement has theretofore been and is then being made under this Agreement would, but for the provisions of this sentence, exceed the Maximum Purchase Price specified in Item 5 of Annex A hereto (or such higher amount as the Vendee may at its option agree to prior to delivery of any unit or units of Equipment that, but for such agreement, would be excluded from this Agreement), the Builder (and any assignee of the Builder) and the Vendee will enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Vendee, as will, after giving effect to such exclusion, reduce such aggregate Purchase Price under this Agreement to not more than the Maximum Purchase Price specified in Item 5 of Annex A hereto (or such higher amount as aforesaid). The Vendee shall take such other steps, including the execution of instruments of transfer, as may be reasonably requested by the Lessee for the purpose of acknowledging and perfecting the interest of the Lessee in any unit of Equipment so excluded from this Agreement, and the Vendee shall have no further obligation or liability in respect of units so excluded.

The Equipment shall be settled for in such

number of groups of units of the Equipment delivered to and accepted by the Vendee as is provided in Item 2 of Annex A hereto (each such group being hereinafter called a "Group"). The term "Closing Date" with respect to any Group shall mean such date or dates (not later than December 31, 1980, such later date being herein called the "Cut-Off Date"), occurring not more than five business days following presentation by the Builder to the Vendee of the Invoices and of the Certificate or Certificates of Acceptance for the Equipment and written notice thereof by the Builder to the Lessee, as shall be fixed by the Builder by written notice delivered to the Vendee and the Assignee at least 10 business days prior to the Closing Date designated therein. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Baltimore, Maryland, New York, New York, or Hartford, Connecticut, are authorized or obligated to remain closed.

Subject to the proviso to subparagraph (a) below, the Vendee hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay in cash to the Vendor at such place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

(a) not later than 11:00 a.m., Baltimore time, on the Closing Date with respect to each Group an amount equal to 25% of the aggregate Purchase Price of Equipment included in such Group; provided, however, that the amount of Order Fees included in the Purchase Price of Equipment included in such Group shall be deducted from the amount otherwise payable to the Vendor pursuant to the foregoing provisions of this subparagraph (a) and shall be paid by the Vendee to the Lessee as reimbursement to it for fees paid to Itel Corporation; and

(b) in 40 semiannual installments, as hereinafter provided, an amount equal to 75% of the aggregate Purchase Price of Equipment included in such Group.

The portion of the Purchase Price payable pursuant to subparagraph (b) of the preceding paragraph (the "Conditional Sale Indebtedness") shall be payable in 40 consecutive semiannual installments on each January 1 and July 1, commencing July 1 1981, to and including January 1, 2001 (or if any such date is not a business day, on the next succeeding business day), each such date being hereinafter called a "Payment Date". The unpaid balance of the Conditional Sale Indebtedness shall bear interest from and including the

Closing Date in respect of which such indebtedness was incurred at a rate per annum equal to the rate of interest publicly announced by the Investor from time to time as its Prime Rate (the "Prime Rate") for all periods through June 30, 1981; at the Prime Rate plus 1% for all periods commencing after June 30, 1981, and ending on or before December 31, 1981; and at the Prime Rate plus 5% for all periods commencing after December 31, 1981 (the interest rate applicable from time to time under this sentence being hereinafter called the "Floating Prime Rate"). The rate of interest payable hereunder shall change simultaneously with each change in the Prime Rate. Such interest shall be payable, to the extent accrued, on January 1, 1981, and on each Payment Date thereafter. The interest rates provided for in this paragraph are the ones initially agreed upon. In connection with arrangements for permanent financing as contemplated by Paragraph 19 of the Participation Agreement, the interest rates herein provided may be amended.

Interest under this Agreement shall be determined on the basis of a 360-day year of 12 30-day months. Each rate of interest determined with respect to any period pursuant to the preceding paragraph expressed for the purpose of the Interest Act (Canada) as a calendar year rate per annum is equivalent to such rate as so determined multiplied by the fraction (i) the numerator of which shall be the actual number of days in the then current calendar year multiplied by the number of days in such period, assuming that each whole month which shall have elapsed in such period shall be comprised of 30 days and (ii) the denominator of which shall be the actual number of days in such period multiplied by 360.

The Vendee will pay, to the extent legally enforceable, interest upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof at the rate of 2% per annum over the Floating Prime Rate.

All payments provided for in this Agreement shall be made 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 except that payments under subparagraph (a) of the third paragraph of this Article 4 (other than the payments to be made to the Lessee in respect of Order Fees) shall be made in Canadian dollars. Except as provided in Articles 7 and 15 hereof, the Vendee shall not have the privilege of prepaying any portion of the Conditional Sale Indebtedness prior to the date it becomes due.

Notwithstanding any other provision of this Agreement (including, but not limited to, any provision of Articles 15 and 16 hereof) but not limiting the effect of Article 21 hereof, the liability of the Vendee or any assignee of the Vendee for all payments to be made by it under and pursuant to this Agreement, including any liability arising out of or in connection with the performance of its obligations hereunder and excluding only the obligations set forth in the proviso in the third paragraph of Article 12 hereof and the payments to be made pursuant to subparagraph (a) of the third paragraph of this Article, shall not exceed an amount equal to, and shall be payable only out of, the "income and proceeds from the Equipment". In addition, the Vendor agrees that the Vendee (i) makes no representation or warranty with respect to, and is not responsible for, the due execution, validity or enforceability of the Lease (or any document relating thereto) insofar as it relates to the Lessee or to any of the Lessee's obligations thereunder and (ii) shall not be responsible for the performance by the Lessee of any of its agreements, representations, indemnities, obligations or other undertakings under the Lease; it being understood that as to all such matters the Vendor will look solely to the Vendor's rights under this Agreement against the Equipment and to the Vendor's rights under the Lease against the Lessee and the Equipment. As used herein the term "income and proceeeds from the Equipment" shall mean (i) if one of the events of default specified in Article 15 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Vendee or any assignee of the Vendee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences or Terminations (as such terms are defined in Article 7 hereof) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under § 10 or any other provision of the Lease and (b) any and all payments or proceeds received for or with respect to the 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) as are indefeasibly received by the Vendee or any assignee of the Vendee and as shall equal the portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences or a Termination) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement; it being understood that "income and proceeds from the Equipment" shall in no event include (A) amounts

referred to in the foregoing clauses (a) and (b) received by the Vendee or any assignee of the Vendee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences or a Termination) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Vendee or any assignee of the Vendee were required to be paid to it 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 or (B) amounts payable by the Lessee to the Owner or to the Vendee in its individual capacity pursuant to § 6, 9 or 15 of the Lease. Notwithstanding anything to the contrary contained in Article 15 or 16 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Vendee for an amount in excess of the amounts payable by the Vendee pursuant to the limitations set forth in this paragraph, it will limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this paragraph. Nothing contained herein limiting the liability of the Vendee shall derogate from the right of the Vendor to proceed against the Equipment for the full unpaid Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder.

ARTICLE 5. Retention of Property and Security Interest in the Equipment. The Vendor shall and hereby does retain the property, and to the extent applicable, a security interest in the Equipment until the Vendee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Vendee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee and the Lessee as provided in this Agreement and the Lease.

Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Vendee at that time, will (a) execute a bill or bills of sale for the Equipment releasing its property and security interest therein to the Vendee or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and deliver such bill or bills of sale to the

Vendee at its address referred to in Article 20 hereof, (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to the Equipment and (c) pay to the Vendee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as therein provided. The Vendee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Vendee.

ARTICLE 6. Taxes. All payments to be made by the Vendee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any Taxes (as defined in § 6 of the Lease) (other than gross receipt taxes [except gross receipt taxes in the nature of or in lieu of sales or use or rental taxes], taxes measured by net income, excess profits taxes and similar taxes) hereafter levied or imposed upon or in connection with or measured by this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which Taxes the Vendee assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Vendee will also pay promptly all Taxes which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Vendor solely by reason of its ownership thereof (except as provided above) and will keep at all times all and every part of the Equipment free and clear of all Taxes which might in any way affect the security interest of the Vendor or result in a lien upon any part of the Equipment; provided, however, that the Vendee shall be under no obligation to pay any Taxes of any kind so long as it is contesting in good faith and by appropriate legal or administrative proceedings such Taxes and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest or property or rights of the Vendor in or to the Equipment or otherwise under this Agreement. If any Taxes shall have been charged or levied against the Vendor directly and paid by the Vendor, the Vendee shall reimburse the Vendor upon presentation of an invoice there-

for, and any amounts so paid by the Vendor shall be secured by and under this Agreement; provided, however, that the Vendee shall not be obligated to reimburse the Vendor for any Taxes so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Vendor) or unless the Vendee shall have approved in writing the payment thereof. Nothing in this Article 6 shall be deemed to imply an obligation on the part of the Vendee to file any tax returns or reports on behalf of the Builder or the Assignee.

ARTICLE 7. Maintenance, Termination and Casualty Occurrences. The Vendee shall, at its own cost and expense, maintain and keep each unit of the Equipment in good operating order, repair and condition, ordinary wear and tear excepted, and eligible for railroad interchange in accordance with the interchange rules of the Association of American Railroads and/or the rules of any governmental agency or other organization with jurisdiction, if applicable.

In the event that the Lease is terminated pursuant to the ninth and succeeding paragraphs of § 7 of the Lease (a "Termination") or any unit of the Equipment shall suffer a Casualty Occurrence (as defined in § 7 of the Lease), the Vendee shall, promptly after it shall have received notice from the Lessee or has otherwise been informed of a Termination or that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the Casualty Value Payment Date (as defined in § 7 of the Lease) relating to such Casualty Occurrence or on the Termination Date (as defined in § 7 of the Lease) in the case of a Termination (each such date being hereinafter called a "Settlement Date"), the Vendee shall pay to the Vendor (i) in the case of a Casualty Occurrence, a sum equal to the Casualty Value (as hereinafter defined in this Article 7) of such unit suffering a Casualty Occurrence as of such Settlement Date and (ii) in the case of a Termination, a sum equal to the Termination Value (as hereinafter defined in this Article 7) of such unit subject to such Termination as of such Settlement Date. The Vendee shall file, or cause to be filed, with the Vendor a certificate setting forth the Casualty Value of such unit or the Termination Value of such unit, as the case may be. Any money paid to the Vendor pursuant to this paragraph shall be applied (after the payment of the interest and principal due on such date) on the date of such payment to prepay (without penalty or premium), ratably in accordance with the unpaid balance of each installment, the Conditional Sale Indebtedness, together with all interest accrued on the portion of the Conditional Sale Indebtedness being prepaid.

The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Purchase Price thereof remaining unpaid on the date as of which such Casualty Value shall be determined (after giving effect to the scheduled payment of principal and interest due and made on such date, but without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit), plus interest accrued thereon but unpaid as of such date. For the purpose of this paragraph and the next succeeding paragraph hereof, each payment of the Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of all the Equipment.

The Termination Value of any unit shall be equal to the Casualty Value thereof.

Upon payment by the Vendee to the Vendor (i) of the Casualty Value of any units of the Equipment having suffered a Casualty Occurrence or (ii) of the Termination Value of the units in connection with a Termination, absolute right to the possession of, title to and property in such units shall pass to and vest in the Vendee, without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Vendee, will execute and deliver to the Vendee, at the expense of the Vendee, an appropriate instrument confirming such passage to the Vendee of all the Vendor's right, title and interest, and the release of the Vendor's security interest, in such units, in recordable form, in order that the Vendee may make clear upon the public records the title of the Vendee to such units.

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of such units suffering a Casualty Occurrence, the Vendor shall, subject to the Vendor having received payment of the Casualty Value hereunder, pay such insurance proceeds or condemnation payments to the Vendee. All insurance proceeds or condemnation payments received by the Vendor in respect of any unit or units of Equipment not suffering a Casualty Occurrence shall be paid to the Vendee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 8. Reports and Inspections. On or before May 31 in each year, commencing with the year 1981, the Vendee shall cause to be furnished to the Vendor an accurate statement to the effect set forth in § 8 of the Lease. The Vendor shall have the right, by its agents, to inspect the

Equipment and to discuss the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 9. Marking of Equipment. The Vendee will cause each unit of the Equipment to be kept numbered and marked as provided in § 5 of the Lease. The Vendee will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such markings shall have been made thereon and will replace or will cause to be replaced promptly any such markings which may be removed, obliterated, defaced or destroyed. The Vendee 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 Vendor and filed, recorded and deposited by the Vendee in all public offices where this Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Vendee 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, trademarks, initials or other insignia customarily used by the Lessee or its affiliates or any long-term operator or sublessee permitted under § 12 of the Lease to the extent provided in the proviso in the last paragraph of § 5 of the Lease.

ARTICLE 10. Compliance with Laws and Rules. During the term of this Agreement, the Vendee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all Applicable Laws (as defined in § 9 of the Lease), and in the event that any such Applicable Laws require any alteration, replacement or modification of or to any part of any unit of the Equipment, the Vendee will conform therewith at its own expense; provided, however, that the Vendee or the Lessee may, in good faith, contest the validity or application of any such Applicable Laws in any reasonable manner which does not, in the reasonable opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 11. Possession and Use. The Vendee, so

long as an event of default shall not have occurred and be continuing under this Agreement, shall be entitled, from and after delivery of the Equipment by the Builder to the Vendee, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The parties hereto acknowledge that the Vendee simultaneously is leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall, subject to the provisions of the last paragraph of § 4 of the Lease and the second paragraph of § 12 of the Lease, be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement. The Lease shall not be amended or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 12. Prohibition Against Liens. The Vendee will pay or discharge any and all sums claimed by any party from, through or under the Vendee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, or the Vendee's interest in the Lease and the payments to be made thereunder, and will promptly discharge any such lien, charge or security interest which arises, 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 or administrative proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

The foregoing provisions of this Article 12 shall be subject to the limitations set forth in the last paragraph of Article 4 hereof and the provisions of Article 21 hereof; provided, however, that the Vendee will pay or discharge any and all taxes, claims, liens, charges or security interests

claimed by any party from, through or under the Vendee or (to the extent it receives funds for such purpose) the Owner, or their successors or assigns, not arising out of the ownership of the Equipment or the transactions contemplated hereby (but, to the extent it receives funds for such purpose, including income taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Equipment), which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, or the Vendee's interest in the Lease and the payments to be made thereunder; but the Vendee 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 or administrative proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement or in and to the Lease and the payments to be made thereunder.

ARTICLE 13. Indemnities and Warranties. The Vendee agrees to indemnify, protect and hold harmless the Builder and the Assignee and their successors, assigns, agents and servants from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, penalties and interest, arising out of or as the result of the occurrence of a default or an event of default under this Agreement, the ownership, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any of the Equipment, the compliance or noncompliance by the Lessee with any applicable law, rule or regulation with respect to the use, maintenance or operation of any of the Equipment, or any accident in connection with the operation, use, condition, possession, storage or return of any of the Equipment resulting in damage to property or injury or death to any person during the period when title thereto, the property or a security interest therein remains in the Vendor; provided, however, that the Vendee shall not be required to indemnify the Builder against any losses, damages, injuries, liabilities, claims and demands whatsoever arising out of any tort, breach of warranty or failure to perform any covenant hereunder by the Builder, and the Vendee shall not be required to indemnify the Assignee in respect of the Assignee's wilful misconduct or negligence or in respect of any breach by the Assignee

hereunder. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price of, and the release of the security interest in, the Equipment, as provided in Article 5 hereof, or the termination of this Agreement in any manner whatsoever.

The Vendee will bear the responsibility for and risk of, and shall not be released from its obligations hereunder (except as provided in Article 21 hereof) in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

The Builder represents and warrants to the Vendee that immediately prior to the time of delivery and acceptance of each unit of Equipment under this Agreement, the Builder will have good title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature arising from, through or under the Builder, except (i) liens arising under the following Nova Scotia statutes: The Workers' Compensation Act, Assessment Act, Health Services Tax Act, Labour Standards Code and The Power Corporation Act, which liens will be promptly discharged by the Builder, (ii) any rights, claims, liens, security interests or other encumbrances arising from, through or under Itel Corporation or its assignees, (iii) any claims, liens, security interests or other encumbrances created by any person other than the Builder or any of its affiliates, after such unit has been handed over by the Builder to Canadian National Railway Company ("CNR") at the storage area at the Builder's plant pursuant to the Bailment Agreement dated as of April 22, 1980, between the Builder and CNR, as amended by an amendment thereto dated as of May 8, 1980 (the "Bailment Agreement"), and (iv) the rights of any of the parties under the Participation Agreement and all Exhibits and Annexes thereto. It is understood and agreed that the Builder shall not be responsible for or incur any liability in connection with the recording or filing or the failure to record or file this Agreement, the Lease or any other documents relating thereto or copies or notices thereof, under any laws in any jurisdiction in which such recording or filing may be required.

The Builder represents that it is not entering into this Agreement, or entering into any assignment of this Agreement, directly or indirectly in connection with any arrangement or understanding in any way involving any

employee benefit plan (other than a governmental plan) with respect to which it is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974, as amended.

The agreement of the parties relating to the Builder's warranty of material and workmanship and the agreement of the parties relating to patent indemnification are set forth in Items 3 and 4 of Annex A hereto.

ARTICLE 14. Assignments. The Vendee will not, except as provided in Article 11 hereof, transfer the right to possession of any unit of the Equipment or sell, assign, transfer or otherwise dispose of its rights under this Agreement without the prior written consent of the Vendor, except as provided in the Trust Agreement.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Vendee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Builder from, any of the obligations of the Builder to construct and deliver the Equipment in accordance herewith or to respond to its warranties and indemnities referred to in Article 13 hereof, or relieve the Vendee of its obligations to the Builder contained in Articles 2, 3, 4, 6 and 13 hereof, Annex A hereto and this Article 14, or any other obligation which, according to its terms or context, is intended to survive an assignment.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Vendee and the Lessee, together with a counterpart or copy of such assignment, stating the identity and post-office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee of the notification of any such assignment, all payments thereafter to be made by the Vendee under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct. The Vendee may rely upon documents received pursuant to this paragraph believed by it in good faith to be true and authentic.

The Vendee recognizes that this Agreement will be assigned to the Assignee as provided in the Assignment. The Vendee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the Assignee to the entire unpaid indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Builder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by the Builder. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee or the Lessee, as the case may be, against and only against the Builder.

ARTICLE 15. Defaults. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) the Vendee shall fail to pay in full any sum payable by the Vendee when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 21 hereof or any other provision of this Agreement limiting the liability of the Vendee) and such default shall continue for 10 business days after the date such payment is due and payable; or

(b) the Vendee (irrespective of the provisions of Article 4 or 21 hereof or any other provision of this Agreement limiting the liability of the Vendee) or the Lessee shall, for more than 30 days after the Vendor shall have demanded, in a writing addressed to the Vendee and the Lessee, performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement, or of any agreement entered into concurrently herewith relating to the financing of the Equipment, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) any proceeding shall be commenced by or against the Owner, the Vendee or the Lessee for any relief which includes, or might result in, any modification of the obligations of the Vendee hereunder or of the Lessee under the Lease 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 Vendee under this Agreement or of the Lessee under the Lease or of the Owner under the Trust Agreement, as the case may be, 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 Vendee, or the Lessee, or the Owner, 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 obligations incurred by such trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced; or

(d) the Vendee shall make or permit any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment and the Vendee shall, for more than 30 days after demand in writing by the Vendor, fail to secure a reassignment or retransfer to the Vendee of such Agreement, interest or right; or

(e) an Event of Default shall have occurred under the Lease; provided, however, that an Event of Default under clause (a) of § 10 of the Lease shall not be deemed to be an event of default hereunder if within 10 business days after the occurrence of such Event of Default the Vendee shall make payment of all amounts in default under subparagraph (a) of this Article;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Vendee, the Owner and the Lessee and upon compliance with

any legal requirements then in force and applicable to such action by the Vendor, declare (a "Declaration of Default") the entire unpaid Conditional Sale Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. In addition, if the Vendee does not pay the entire unpaid Conditional Sale Indebtedness, together with the interest thereon accrued and unpaid to the date of payment, within 15 days of such notice of Declaration of Default, the Vendor may (subject to the proviso in the second paragraph of § 4 of the Lease relating to termination and to the Lessee's rights of possession, use and assignment under §§ 4 and 12 of the Lease) cause the Lease immediately, upon written notice to the Vendee, to terminate, but the Lessee shall remain liable as therein provided. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the Conditional Sale Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee, subject to the provisions of Articles 4 and 21 hereof, wherever situated. The Vendee shall promptly notify the Vendor of any event of which it has knowledge which constitutes, or with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement. Knowledge of the Vendee shall mean actual knowledge of an officer or employee of its Corporate Trust Department.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Vendee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Vendee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 16. Remedies. Subject to the Lessee's

rights of quiet enjoyment, possession, use and assignment under §§ 4 and 12 of the Lease at any time during the continuance of a Declaration of Default, the Vendor may, and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Vendee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 16 expressly provided, and may remove the same from possession and use of the Vendee or any other person and for such purpose may enter upon the premises of the Vendee or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Vendee, subject to all mandatory requirements of due process of law.

In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment to the Vendor, the Vendee shall, at its own expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, causing prompt telegraphic and written notice to be given to the Association of American Railroads and all railroads to which any unit or units of the Equipment have been interchanged to return the unit or units so interchanged) cause the Equipment to be placed upon such storage tracks as the Vendor reasonably may designate;

(b) permit the Vendor to store the Equipment on such tracks at the risk of the Vendee without charge for rent or storage until the Equipment has been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the Equipment to be transported to any reasonable place on any lines of a Canadian railway or to the point of interconnection with any connecting carrier for shipment, all as directed by the Vendor.

During any storage period, the Vendee will, at its own cost and expense, insure, maintain and keep each such unit in good order and repair and will permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospec-

tive purchasers, lessees and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Vendee requiring specific performance hereof. The Vendee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 16 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire Conditional Sale Indebtedness and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Vendee, the Owner and the Lessee by telegram or registered mail, addressed as provided in Article 20 hereof, and to any other persons to whom the law may require notice, within 60 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Vendee's rights in the Equipment shall thereupon terminate and all payments made by the Vendee or for its account may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Vendee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee; provided further that if the Vendee, the Lessee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other

manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 16.

Subject to the Lessee's rights of quiet enjoyment, possession, use and assignment under §§ 4 and 12 of the Lease, at any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Vendee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of the Vendee, the Lessee or any other party claiming from, through or under the Vendee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Vendee should tender full payment of the total unpaid balance of the Conditional Sale Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Vendee or the Lessee may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Vendee and the Lessee shall be given written notice of such sale not less

than 10 days prior thereto, by telegram or registered mail addressed as provided in Article 20 hereof. If such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 offerees have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Vendee to purchase or provide a purchaser, within 10 days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Vendee or the Lessee (except to the extent of surplus money received as hereinafter provided in this Article 16), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder. From and after the date of any such sale, the Vendee shall (subject to Article 4 hereof) pay to the Vendor an amount equal to the interest rate on the unpaid Conditional Sale Indebtedness with respect to any such unit which shall not have been assembled, as hereinabove provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser at such sale.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee or the Lessee shall not otherwise alter or affect the Vendor's rights or the Vendee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Vendee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Vendee shall pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, and, if the Vendee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall, subject to the limitations of Article 21 hereof and the last paragraph of Article 4 hereof, be entitled to recover a judgment therefor against the Vendee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Vendee.

The Vendee will pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 16 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 17. Applicable Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Vendee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Vendee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with

respect to the enforcement of the Vendor's rights under this Agreement and any and all rights of redemption.

ARTICLE 18. Recording. The Vendee will (a) cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and as contemplated by Paragraph 7(b) of the Participation Agreement; (b) from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law (including renewals of the filings contemplated by Paragraph 7(b) of the Participation Agreement) or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its interest in the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and (c) promptly furnish or cause to be furnished to the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 19. Article Headings; Effect and Modification of Agreement. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

Except for the Purchase Order (as defined in the Participation Agreement) and the Participation Agreement and its exhibits, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Vendor and the Vendee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Vendee.

ARTICLE 20. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it by first-class mail, postage prepaid, at the following addresses:

(a) to the Vendee, at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department,

(b) to the Lessee, at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Attention of Treasurer/Comptroller,

(c) to the Builder, at its address specified in Item 1 of Annex A hereto,

(d) to the Owner, at its address set forth in the Participation Agreement, and

(e) to any assignee of the Vendor, or of the Vendee, at such address as may have been furnished in writing to the Vendee, or the Vendor, as the case may be, and to the Lessee, by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 21. Immunities; Satisfaction of Undertakings. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

The obligations of the Vendee under the second paragraph of Article 16 and under Articles 3, 7 (other than the second and third sentences of the second paragraph thereof) 8, 9, 10, 12 (other than the proviso to the last paragraph thereof), 13 (other than the first paragraph thereof) and 18 hereof shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease. The Vendee shall not have any responsibility for the Lessee's failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an event of default hereunder pursuant to Article 15 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, undertakings and agreements herein made on the part of the Vendee are made and intended not as personal

representations, warranties, undertakings and agreements by The Connecticut Bank and Trust Company, or for the purpose or with the intention of binding said bank 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 except in the case of gross negligence or wilful misconduct, in the case of said bank, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank or the Owner on account of this Agreement or on account of any representation, warranty, undertaking or agreement of the Vendee (except as aforesaid) or the Owner hereunder, either expressed or implied, except for their respective obligations under the proviso to the last paragraph of Article 12 hereof; all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor.

The Vendee agrees that it will not enter into any amendment to or modification of the Trust Agreement except as provided in Article VIII thereof.

ARTICLE 22. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Connecticut; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing, recording or deposit hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the markings of the units of Equipment.

ARTICLE 23. Execution. This Agreement may be executed in any number of counterparts, such counterparts together constituting but one and the same contract, but the counterpart delivered to the Assignee pursuant to the Assignment shall be deemed the original and all other counterparts shall be deemed duplicates thereof. Although for convenience this Agreement is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

ARTICLE 24. Judgment. (a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in U.S. dollars into another currency, the

parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Vendor could purchase U.S. dollars with such other currency on the business day preceding that on which final judgment is given.

(b) The obligation of the Vendee in respect of any sum due from it to the Vendor hereunder shall, notwithstanding any judgment in a currency other than U.S. dollars, be discharged only to the extent that on the business day following receipt by the Vendor of any sum adjudged to be so due in such other currency the Vendor may in accordance with normal banking procedures purchase U.S. dollars with such other currency; if the U.S. dollars so purchased are less than the sum originally due to the Vendor in U.S. dollars, the Vendee agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Vendor against such loss, and if the U.S. dollars so purchased exceed the sum originally due to the Vendor in U.S. dollars, the Vendor agrees to remit to the Vendee such excess.

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

HAWKER SIDDELEY CANADA LTD.,

by

Ivan E. Bull
Vice President

[CORPORATE SEAL]
Attest:

Colin A. Haines
Secretary

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Donald E. Smith
Authorized Officer

[CORPORATE SEAL]

Attest:

Clark M. Whitcomb
Authorized Officer

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

On this 5th day of June 1980, before me personally appeared Ivan Bull , to me personally known, who, being by me duly sworn, says that he is a Vice President of HAWKER SIDDELEY CANADA LTD., 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.

Eric Elvidge
Notary Public

My Commission expires

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

On this 5th day of June 1980, before me personally appeared Donald E. Smith , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and 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.

Barbara S. Kacich
Notary Public

[Notarial Seal]

My Commission expires
Barbara S. Kacich
Notary Public
My Commission Expires March 31, 1982

Annex A

to

Conditional Sale Agreement

Item 1: Hawker Siddeley Canada Ltd., P.O. Box 130, Trenton, Nova Scotia BOK 1XO, Attention of Director of Finance and Administration.

Item 2: The Equipment shall be settled for in not more than eight Groups of units delivered to and accepted by the Vendee, unless a greater number shall be agreed to by the parties hereto. In the event that there are any changes in the standards referred to in the second sentence of Article 2 of the Conditional Sale Agreement subsequent to the date of execution by the Builder of the Conditional Sale Agreement to which this Annex is attached (the "Agreement"), which result in an increase or decrease in the costs incurred by the Builder in complying therewith, then the base price per unit of Equipment shall be increased or decreased accordingly.

Item 3: The Builder warrants that each unit of the Equipment at the time of delivery will conform to the Specifications and the standards and requirements set forth in Article 2 of the Agreement and warrants that each such unit will be free from defects in material (except as to specialties incorporated therein and workmanship with respect thereto specified by the Lessee and not manufactured by the Builder) and workmanship under normal use and service. The Builder's liability under this Item 3 is limited to repair or replacement at its plant at Trenton, Nova Scotia, of any part or parts of any such unit which shall, within one year after the delivery of such unit to the Vendee (or, in the case of patent defects, within 10 days after delivery), be returned to the Builder with transportation charges prepaid and which examination by the Builder shall disclose to its satisfaction to have been thus defective. Any such unit which has been repaired, replaced or altered

without the Builder's prior written consent in such a manner as to affect its reliability or stability or which has been subject to improper maintenance, nonuse, misuse or accidental damage shall be excluded from this warranty. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER GUARANTIES, WARRANTIES AND CONDITIONS WHETHER EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND THE BUILDER DOES NOT ASSUME OR AUTHORIZE ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE CONSTRUCTION AND DELIVERY OF ANY SUCH UNIT OF EQUIPMENT, EXCEPT FOR THE PATENT INDEMNIFICATION INCLUDED IN ITEM 4 HEREOF AND AS AFORESAID.

IN NO EVENT SHALL THE BUILDER BE LIABLE TO ANYONE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND.

The Builder further agrees with the Vendee that neither the inspection as provided in Article 3 of the Agreement, nor any examination, nor the acceptance of any such unit as provided in said Article 3 shall be deemed a waiver or a modification by the Vendee of any of its rights under this Item 3.

Item 4: Except in cases of articles or materials specified by the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees to indemnify, protect and hold harmless the Vendee, the Owner and the Lessee from and against any and all liability, claims, costs, charges and expense, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee, the Owner or the Lessee, their assigns or the users of the Equipment, because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Vendee, the Owner and the Lessee will

give prompt notice to the Builder of any claim known to them, respectively, from which liability may be charged against the Builder hereunder. At its expense and cost, the Builder with its counsel shall defend such claim. The Vendee, the Owner and the Lessee shall provide such information as they may possess reasonably to enable the Builder to defend such claim. The Builder agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Vendee, the Owner and the Lessee every claim, right and cause of action which the Builder has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles or materials specified by the Lessee and purchased or otherwise acquired by the Builder for use in or about the construction or operation of any of the Equipment on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. The Builder further agrees to execute and deliver to the Vendee, the Owner and the Lessee or the users of its Equipment all and every such further assurance as may be reasonably requested more fully to effectuate the assignment and delivery of every such claim, right and cause of action. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner whatsoever.

Item 5: The Maximum Purchase Price referred to in Article 4 of the Agreement is U.S. $50,000,000.

Item 6: The Maximum Conditional Sale Indebtedness referred to in Article 4 of the Agreement is U.S. $37,500,000.

Annex B
to
Conditional Sale Agreement

Type	Builder's Specifications	Builder's Plant	Quantity	Road Numbers (Both Inclusive)	Estimated Unit Base Price	Estimated Total Base Price	Estimated Time and Place of Delivery
Covered hopper car	LO-139 dated 11/19/79, revised 4/21/80; Hawker Siddeley Canada Ltd. General Arrangement Drawing No. A152H87 dated 2/29/80, Rev. B dated 4/7/80	Trenton, Nova Scotia	1,000	CPWX 604302 through CPWX 605301	Can. $52,500	Can. $52,500,000	June-Sept., 1980, F.O.R. at Builder's plant in Trenton, Nova Scotia, or F.O.R. at one of the CNR storage locations specified in the Bailment Agreement, as designated by the Builder

ANNEX C
to
Conditional Sale Agreement

[CS&M Ref.: 2043-988]

LEASE OF RAILROAD EQUIPMENT

Dated as of April 1, 1980

Between

THE CANADIAN WHEAT BOARD,

Lessee,

and

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee,

Lessor.

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on June 10, 1980, at 12:15 p.m., recordation number 11886-B. A U.C.C. financing statement with respect to the equipment described in the CSA was filed with the Office of the Secretary of State of the State of Connecticut on June 12, 1980, at 9:26 a.m., recordation number 424564.

TABLE OF CONTENTS*

		Page
SECTION 1.	Net Lease	1
SECTION 2.	Delivery and Acceptance of Units	2
SECTION 3.	Rentals	3
SECTION 4.	Term of Lease	4
SECTION 5.	Identification Marks	5
SECTION 6.	Taxes	6
SECTION 7.	Maintenance; Casualty Occurrences; Insurance; Termination	10
SECTION 8.	Reports	14
SECTION 9.	Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification	15
SECTION 10.	Default	21
SECTION 11.	Return of Units upon Default	24
SECTION 12.	Assignment; Possession and Use	26
SECTION 13.	Return of Units upon Expiration of Term	28
SECTION 14.	Renewal and Purchase Options	29
SECTION 15.	Tax Indemnification	31
SECTION 16.	Recording	39
SECTION 17.	Interest on Overdue Rentals	39
SECTION 18.	Notices	39
SECTION 19.	Additional Rental Adjustments in Certain Circumstances	40
SECTION 20.	Severability; Effect and Modification of Lease	41
SECTION 21.	Law Governing	41
SECTION 22.	Execution	41
SECTION 23.	Immunities; No Recourse	41
SECTION 24.	Judgment	42
SECTION 25.	Payment of Certain Expenses	43
SECTION 26.	Applicable Statutory Provisions	43

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* This Table of Contents has been included in this document for convenience only and does not form a part of, or affect any construction or interpretation of, this document.

LEASE OF RAILROAD EQUIPMENT dated as of April 1, 1980, between THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee"), and THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not individually but solely in its capacity as Trustee (the "Lessor") under a Trust Agreement dated as of the date hereof (the "Trust Agreement").

The Lessor is entering into a conditional sale agreement dated as of the date hereof (the "CSA") with Hawker Siddeley Canada Ltd. (the "Builder") wherein the Builder has agreed to manufacture, sell and deliver to the Lessor the units of railroad equipment described in Schedule A hereto (the "Equipment"). J. P. Morgan Interfunding Corp. (the "Owner") will be the beneficial owner of the Equipment delivered and accepted under the CSA. The Builder is assigning its interest in the CSA to Mercantile-Safe Deposit and Trust Company, acting as agent (said bank acting in such capacity being hereinafter called the "Vendor") under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

The Lessee desires to lease such number of units of the Equipment as are delivered, accepted and settled for under the CSA (the "Units") and for which Certificates of Acceptance referred to in § 2 hereof are executed and delivered, at the rentals and upon the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the rentals to be paid and the covenants hereinafter contained, the parties hereto hereby agree as follows:

§ 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 (a) any abatement or reduction of rent, including, but not limited to, abatements or reductions due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or under any

other agreement, or against the Builder or the Vendor or otherwise or (b) any setoff against rent, including, but not limited to, any setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or under any other agreement or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, 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 required to be made by the Lessee hereunder shall be final, and the Lessee shall not seek to recover all or any part of such payment for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. Each delivery of a Unit to the Lessor under the CSA shall be deemed to be a delivery hereunder to the Lessee at the point or points at which such Unit is delivered to the Lessor under the CSA. 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 Lessor under the CSA and itself hereunder and execute and deliver to the Lessor a certificate of acceptance (the "Certificate of Acceptance") in substantially the form of Schedule D

hereto, which shall be deemed to form a part hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. Rentals. The Lessee agrees to pay to the Lessor, as rental for each Unit subject to this Lease, 50 consecutive semiannual payments, payable in arrears, on January 1 and July 1 in each year, commencing July 1, 1981 (each of such 50 dates being hereinafter called a "Rental Payment Date"). The first 25 semiannual payments shall each be in an amount equal to 5.15738% of the Purchase Price (as hereinafter defined) of each Unit then subject to this Lease and the second 25 semiannual payments shall each be in an amount equal to 6.30346% of the Purchase Price of each Unit then subject to this Lease. The term "Purchase Price" as used herein with respect to any Unit shall mean the Purchase Price of such Unit determined as provided in the CSA and written notice of which shall have been given by the Lessor to the Lessee; provided, however, that in no event shall the Purchase Price of any Unit exceed U.S. $50,000 unless the Lessee shall otherwise agree in writing.

The Lessee also agrees to pay as additional rent hereunder the amounts referred to in §§ 6, 9 and 15 hereof.

The Lessor and the Lessee agree that if (a) the Owner shall be required under Paragraph 13 of the Participation Agreement to pay Transaction Expenses (as therein defined) in excess of .6% of the aggregate Purchase Price of the Equipment, (b) the Owner shall be required to make any payment under the penultimate sentence of the first paragraph of Paragraph 13 of the Participation Agreement, (c) more than 57% of the Units shall be delivered and accepted after June 30, 1980, (d) there shall be a difference on any day after the first Closing Date (as defined in the Participation Agreement) between 13% per annum and the rate of interest payable on the Conditional Sale Indebtedness (as defined in the CSA) on such day, or (e) by reason of any change or modification in applicable Federal, state or local income or franchise tax law enacted or effective before January 1, 1981, which affects any of the Tax Assumptions (as defined in § 15 hereof) for any taxable year (or portion thereof) of the Owner, the Owner shall actually realize any additional Federal, state or local income or franchise tax benefit beyond those contemplated by the Tax Assumptions, or shall

actually suffer a reduction in any Federal, state or local income or franchise tax benefit contemplated by the Tax Assumptions, then the rentals payable hereunder and the Casualty Values and Termination Values set forth in Schedules B and C hereto will be appropriately increased (or adjusted upward or downward in the case of the foregoing clauses (d) and (e)) to preserve the Owner's after-tax economic yields and cash flows (computed on the same assumptions, including tax rates, as were utilized by the Owner in originally evaluating this transaction (such economic yields and cash flows being hereinafter called the "Net Economic Return")).

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

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

The Lessee agrees to make each payment provided for in this § 3 in funds immediately available at or prior to 11:00 a.m. local time in the city where such payment is due.

Notwithstanding anything to the contrary contained in this Lease, in the event the aggregate of all payments otherwise required to be made under this Lease by the Lessee on or prior to March 31, 1981, shall exceed the equivalent of Can. $5,000,000, the amount of such excess shall be due and payable on April 1, 1981.

§ 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, 14 and 15 hereof, shall terminate on January 1, 2006. Except for obligations of the Lessee hereunder which are specifically stated to terminate at a fixed time, the obligations of the Lessee hereunder (including, but not limited to, the obligations under §§ 3,

6, 7, 9 and 13 hereof) shall survive the expiration of the term of this Lease.

So long as no Event of Default exists hereunder, this Lease may not be terminated and the Lessee shall be entitled to the rights of quiet enjoyment, possession, use and assignment provided under § 12 hereof. The Lessee acknowledges that upon the occurrence of an Event of Default hereunder, the Vendor may exercise all the rights and remedies provided in the CSA.

§ 5. Identification Marks. The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "OWNED BY A BANK OR TRUST COMPANY. OWNERSHIP SUBJECT TO A CONDITIONAL SALE AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated or approved by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Lessor's and the Vendor's title to and interest in such Unit and the rights of the Lessor under this Lease and of the Vendor under the CSA. The Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Lessee will not change or permit to be changed the identifying 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 Vendor and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the CSA shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Vendor and the Lessor an opinion of counsel to the effect that such statement has been so filed and deposited, that such filing and deposit will protect the Vendor's and the Lessor's rights in such Units and that no other filing, deposit or giving of notice with or to any Canadian or United States Federal, state, provincial or local government or agency thereof is necessary to

protect the rights of the Vendor and the Lessor in such Units.

Except as above provided, 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 Lessee may permit the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by the Lessee or its affiliates or any long-term operator or sublessee permitted under § 12 hereof on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use the Equipment under this Lease, and the Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

§ 6. Taxes. (a) Indemnity. The Lessee agrees that each rental or other payment hereunder (including, without limitation, any indemnity payable under § 15 hereof) shall be free of all withholdings of any nature whatsoever, and that in the event any withholding is required, the Lessee shall pay an additional amount such that the net amount of rental actually received by the Lessor free of withholding will equal the amount of rental then due absent such withholding. In addition, unless excused pursuant to the provisions of paragraph (b) of this § 6, the Lessee agrees to pay and, on written demand, to indemnify and hold the Lessor (in both its individual and fiduciary capacities) and the Owner (the "Indemnitees") harmless from, all license and registration fees and all taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever together with any penalties, fines or interest thereon (hereinafter collectively referred to as "Taxes") imposed against any Indemnitee, the Lessee, the Units or any portion thereof by any Federal, state or local government or taxing authority in the United States or by any foreign government or governmental subdivision thereof or any taxing authority thereof (including, without limitation, Canadian deemed disposition taxes), if any, upon or with respect to the Units or any portion thereof, or upon or with respect to the purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon or with respect to the rentals, receipts or earnings arising therefrom including interest and principal payable on the Conditional Sale Indebtedness, or upon or with respect to this Lease, the CSA, the Partic-

ipation Agreement, the Trust Agreement, the Assignment (as defined in the CSA), the Conditional Sale Indebtedness or the issuance, acquisition or subsequent transfer of the Conditional Sale Indebtedness, unless, and only to the extent that, any such Tax which is not imposed by way of withholding is being contested in good faith by the Lessee or such Indemnitee pursuant to paragraph (c) of this § 6 (and for the payment of which adequate reserves have been provided or other arrangements satisfactory to the Lessor have been made) by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of the Units or any interest therein and do not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor hereunder or of the Vendor under the CSA. The Lessee further agrees that, with respect to any payment or indemnity hereunder other than any payment of or indemnity for Canadian withholding taxes, such payment or indemnity shall include any amount necessary to hold the Indemnitee harmless, on an after-tax basis, from all Taxes required to be paid by such Indemnitee with respect to such payment or indemnity under the laws of any Federal, state or local government or taxing authority or under the laws of any foreign government or any taxing authority or governmental subdivision or taxing authority of a foreign country.

(b) Limitation on Indemnity. Notwithstanding the provisions of paragraph (a) of this § 6, the Lessee shall have no obligation thereunder as to:

(1) any Taxes on, based on or measured by the net income of any Indemnitee imposed (i) by the United States of America, (ii) by the state or local government or other local taxing authority having geographical jurisdiction over the place in which such Indemnitee has its principal office, (iii) by any state or local government or taxing authority in the state in which the trust created by the Trust Agreement has its situs, on such trust or (iv) by any foreign government or any taxing authority or governmental subdivision of a foreign country to the extent allowed as a credit against income taxes imposed by the United States of America taking into account any applicable limitation on the aggregate amount of such credit and after assuming that all other Taxes of such Indemnitee for the same or prior periods which qualify for such credit are first allowed;

(2) any Taxes on, based on, or measured by, any fees or compensation received by the Lessor or the Vendor for their respective services rendered in connection with the transactions contemplated hereby;

(3) any Taxes included in the Purchase Price; or

(4) any Taxes on, based on or measured by the net income of any Indemnitee imposed by any foreign government or any taxing authority or governmental subdivision of a foreign country by virtue of such Indemnitee's being engaged in business in such foreign country through activities unrelated to the transactions contemplated by the Participation Agreement, to the extent the Lessee's obligation as to such Taxes would otherwise exceed the amount of withholding taxes which would be payable if such Indemnitee were not so engaged in such business;

provided, however, that, notwithstanding the foregoing subparagraphs (1) through (4), there shall not be excluded any Taxes imposed by any jurisdiction on, based on, or measured by, net income resulting directly or indirectly (whether by inclusion of an item in gross income, disallowance of a credit against tax, disallowance of a deduction for depreciation or otherwise) from (x) the Lessee's receipt of or right to receive any refund or credit from the Builder with respect to the Units, (y) any payment by the Builder in satisfaction of a claim against the Builder with respect to the Units, unless such Taxes shall have been indemnified by the Lessee pursuant to § 15 hereof or (z) any additional amount of indemnity paid by the Lessee pursuant to the last sentence of paragraph (a) of this § 6; provided further, however, that if an indemnification payment is made pursuant to this § 6, the Lessee shall be entitled to offsetting tax benefits realized by the Owner which correspond to those described in the second, third and fifth sentences of § 15(c).

(c) Contest. If any proceeding (including the written claim or written threat of such proceeding) is commenced against any Indemnitee for any such Tax, such Indemnitee shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, such Indemnitee shall upon receipt of indemnity satisfactory to it and at the expense of the Lessee (including, without limitation, all costs, expenses, losses, legal and accountants' fees and disbursements, penalties and interest) in good faith contest (after consultation with Lessee), in the name of the Lessee or such Indemnitee, the validity, applicability or amount of such Tax by (i) resisting payment thereof if such Indemnitee in its sole discretion shall determine such

course of action to be appropriate, (ii) not paying the same except under protest, if protest is necessary and proper, or (iii) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative and judicial proceedings. The Lessee, through its counsel, shall have the right to participate in and to control any proceeding relating to such contest; provided, however, that if counsel designated by such Indemnitee shall reasonably determine that control by Lessee's counsel might be detrimental to the best interests of such Indemnitee, then such Indemnitee's counsel shall have the sole right to control such proceeding. If any Indemnitee shall obtain a refund of all or any part of such Tax paid by the Lessee, such Indemnitee shall pay the Lessee the amount of such refund, plus any additional tax benefits realized by such Indemnitee as a result of such payment; provided, however, that such amount shall not be payable before such time as the Lessee shall have made all payments or indemnities then due under this § 6. If in addition to such refund such Indemnitee shall receive an amount representing interest on the amount of such refund, the Lessee shall be paid that proportion of such interest which is fairly attributable to Taxes paid by the Lessee prior to the receipt of such refund. The Lessee shall not be deemed to be in default under any of the above indemnification provisions so long as any Indemnitee shall diligently prosecute such contest.

(d) Reports. In case any report or return is required to be made with respect to any obligation of the Lessee under this § 6 or arising out of this § 6, the Lessee will either make such report or return in such manner as will show the ownership of the Units in the Lessor, and send a copy of such report or return to the Lessor, or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor.

(e) Indemnification Under CSA. In the event that the Lessor shall become obligated to make any payment to the Vendor or otherwise pursuant to Article 6 of the CSA (except to the extent the Lessor shall also be obligated to make such payment pursuant to the proviso to the last paragraph of Article 12 thereof) not covered by the first paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed Taxes hereunder) to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said provision.

§ 7. Maintenance; Casualty Occurrences; Insurance; Termination. The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) in as good operating order, repair and condition as when originally delivered, ordinary wear and tear excepted, and eligible for railroad interchange in accordance with the interchange rules of the Association of American Railroads and the rules of any governmental agency or other organization with jurisdiction, if applicable.

In the event that any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days (each such occurrence being hereinafter called a "Casualty Occurrence") during the term of this Lease, or before such Unit shall have been returned in the manner provided in § 11 or § 13 hereof, the Lessee shall promptly and fully notify the Lessor and the Vendor with respect thereto. On the rental payment date next succeeding the delivery of such notice (or, in the event such rental payment date will occur within 15 days after delivery of such notice, on the next succeeding rental payment date) (such date being hereinafter called a "Casualty Payment Date"), the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such Casualty Payment Date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of such Casualty Payment Date in accordance with the schedule referred to below. 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 Lessor shall be entitled to recover possession of such Unit.

The Casualty Value of each Unit as of the Casualty Payment Date for such Unit shall be the 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 Occur-

rence after the expiration of the original or extended term of this Lease and before such Unit shall have been returned in the manner provided in § 13 hereof, the Lessee shall promptly and fully notify the Lessor and the Vendor with respect thereto and pay to the Lessor an amount equal to the Casualty Value of such Unit, which shall be 20% of the Purchase Price of such Unit (unless such Casualty Occurrence occurs after the term of this Lease has been extended pursuant to § 14 hereof, in which case the amount of such Casualty Value shall be as agreed upon by the Lessor and the Lessee). Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Lessor shall be entitled to recover possession of such Unit, provided that the Lessor shall have the right to transfer to the Lessee without recourse or warranty all of the Lessor's right, title and interest, if any, in and to any such Unit.

The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof (including the issuance of bills of sale for and on behalf of the Lessor), 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 Lessor and is not in default hereunder, the Lessee shall be entitled to the net proceeds of such disposition to the extent they do not exceed the Casualty Value of such Unit and shall pay any excess to the Lessor; provided further, however, that if any such Unit suffering a Casualty Occurrence is disposed of by the Lessee pursuant to a customary railroad settlement rather than sold as provided in the preceding sentence, then any proceeds received on such settlement which exceed the Casualty Value of such Unit will, provided that the Lessee has previously paid such Casualty Value to the Lessor and is not in default hereunder, be for the benefit of the Lessee unless the scrap value of any such Unit disposed of pursuant to a customary railroad settlement is in excess of its Casualty Value, in which case the Lessee will pay such excess to the Lessor.

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

The Lessee will, at all times prior to the return of the Units to the Lessor in accordance with the terms of this Lease and during any storage period, at its own expense, cause to be carried and maintained public liability and property damage insurance in respect of the Units against the risks and in the amounts, if any, customarily insured against by the Lessee in respect of similar equipment owned or leased by it.

If the Lessor shall receive any insurance proceeds from insurance maintained by the Lessee or condemnation payments in respect of a Unit suffering a Casualty Occurrence, the Lessor shall, subject to the Lessee's having made payment of the Casualty Value in respect of such Unit and provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing, pay such proceeds or condemnation payments to the Lessee. All insurance proceeds received by the Lessor pursuant to insurance maintained by the Lessee in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect of which such proceeds were paid has been fully repaired so as to comply with the provisions of the first paragraph of this § 7, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

In the event that the Lessee shall during the original term hereof, in its reasonable judgment, determine that the Units remaining under this Lease have become economically obsolete or surplus to the Lessee's requirements in the Lessee's business, as determined in good faith by the Board of Directors of the Lessee, the Lessee shall have the right, at its option and on at least 180 days' prior written notice to the Lessor and the Vendor, to terminate (which act shall hereinafter be called the "Termination") this Lease as to all but not less than all of such Units as of any succeeding rental payment date specified in such notice (such termination date so specified being hereinafter called the "Termination Date"); provided, however, that (i) the Termination Date shall be not earlier than January 1, 1991, (ii) no Event of Default or other event which after the lapse of time or the giving of notice or both would become an Event of Default shall have occurred and be continuing on such date or on the

date on which the notice of such Termination shall be given and (iii) on the Termination Date all Units shall be in the condition required for redelivery pursuant to § 13 hereof.

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

On such Termination Date, the Lessee shall pay to the Lessor with respect to the Units an amount equal to (i) the excess, if any, of the Termination Value (as hereinafter defined) for the Units computed as of such date over the sale price of the Units so sold after the deduction of all expenses incurred by the Lessor in connection with such sale and (ii) the rental payment with respect to the Units due on such Termination Date. The Termination Value of each such Unit as of the Termination Date shall be determined as follows: (a) if the Board of Directors of the Lessee shall have determined in good faith that such Unit shall not be used after the Termination Date for the transport of wheat in Canada, the Termination Value of such Unit as of the Termination Date shall be the percentage of the Purchase Price of such Unit set forth in Schedule C hereto opposite such date or (b) if the Board of Directors of the Lessee shall not have made such determination with respect to such Unit, the Termination Value of such Unit as of the Termination Date shall be the higher of (x) the percentage of the Purchase Price of such Unit set forth in Schedule B hereto opposite such date or (y) the Fair Market Purchase Price (determined in accordance with § 14 hereof) of such Unit as of such date. In no event shall the aggregate amount of sale proceeds retained by the Lessor and payments of rental and Termination Value received by the Lessor as aforesaid be less than the Termination Value

(as defined in the CSA) with respect to the Units as of such Termination Date.

If no sale of all the Units shall occur on the Termination Date with respect thereto as provided above, no Termination shall occur with respect to any of the Units and this Lease shall continue in full force and effect without change.

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

If the Lessee shall exercise its option to effect a Termination, the Lessor may, notwithstanding such election by the Lessee, by written notice to the Lessee given within 90 days after the termination notice is given to the Lessor and upon satisfaction and discharge of the Lessor's obligations under the CSA with respect to the Units, elect to retain such Units, in which case the Lessee shall not be obligated to pay the Termination Value to the Lessor. In the event the Lessor shall so elect to retain such Units and delivers to the Lessee evidence of the satisfaction and discharge of the Lessor's obligations under the CSA with respect to the Units, the Lessee shall deliver such Units to the Lessor in accordance with the provisions of § 13 hereof.

§ 8. Reports. On or before April 30 in each year, commencing with the calendar year 1981, the Lessee will furnish to the Lessor and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder, the amount, description and numbers of all Units that have suffered a Casualty Occurrence

during the preceding calendar year or are then undergoing repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Lessor or the Vendor may reasonably request, (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by § 5 hereof have been preserved or replaced, (c) stating that the Lessee is in compliance with the requirements under § 7 hereof as to maintenance of insurance and describing in reasonable detail any insurance then being maintained in respect of the Units and in respect of any similar equipment owned or leased by the Lessee and (d) stating that, based on advice of counsel, all filings, registrations, recordings and deposits and all refilings, reregistrations, rerecordings and redeposits necessary for the proper protection of the Vendor's and the Lessor's respective rights in the Units, and for the purpose of carrying out the intention of this Lease, the CSA and the Assignment have been duly accomplished (and upon the written request of the Vendor or the Lessor the Lessee will furnish to the Vendor and the Lessor an opinion of counsel (who may be an employee of the Lessee) satisfactory to the Vendor and the Lessor to such effect). The Lessor shall have the right (but not the obligation) by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

On or before December 15 in each year commencing with the calendar year 1981, the Lessee will furnish to the Lessor and the Vendor an accurate statement to the effect that all payments required to be made hereunder during the year ending on the next succeeding January 1 have been duly authorized by Her Majesty in right of Canada, either by an appropriation of the Parliament of Canada or by other appropriate action, and such statement shall include a brief description of such appropriation or action, as the case may be.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification. THE LESSOR MAKES NO 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 THE LESSOR MAKES NO 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 Lessor and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the Builder, including, but not limited to, any claims and rights arising under the provisions of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The foregoing provisions of this § 9 shall not be deemed to affect the Lessee's rights of quiet enjoyment, possession, use and assignment provided under §§ 4 and 12 hereof. Any amount received by the Lessee or the Lessor as payment under any such rights or claims against the Builder shall be applied to restore the Units to the condition required by § 7 hereof, except to the extent any such Units shall have suffered a Casualty Occurrence, in which case such amount shall be applied to the payment of the Casualty Value thereof pursuant to § 7 hereof; provided, however, that if an Event of Default shall have occurred and be continuing such amount shall be paid to the Lessor. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as

between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

The Lessee agrees 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 Department of Transport of Canada, 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, use, value or utility 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, with due diligence by appropriate legal proceedings, the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor under this Lease or of the Vendor under the CSA and the failure to comply will not impair the value or utility of the Units.

The Lessee and its affiliates, at their own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices or assemblies at any time attached or affixed to any Unit, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by the Department of Transport of Canada, the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit) (hereinafter collectively called "Additions") to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units or in

accordance with their original purpose and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which the Unit would have had immediately prior to such time had such Addition not been made.

Title to all Parts (as hereinafter defined) incorporated in or installed as part of any Unit shall without further act vest in the Lessor and the Vendor as their respective interests may appear in such Unit itself in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part, (ii) such Part is required to be incorporated in or installed as part of the Unit pursuant to the terms of the second paragraph of this § 9 or (iii) notwithstanding the provisions of the third paragraph of this § 9, such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit would have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default under § 10 hereof (or other event which after lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, title to Parts incorporated in or installed as part of any Unit as a result of any Addition shall vest in the Lessee. The term Part for the purposes of this paragraph and § 13 hereof shall mean any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

The Lessee agrees to indemnify, protect and hold harmless the Lessor (in both its individual and fiduciary capacities) and the Owner ("Indemnified Persons") from and against all losses, damages, injuries, liabilities, claims (including, without limitation, claims for strict liability in tort) and demands whatsoever, regardless of

the cause thereof, and expenses in connection therewith (including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, but excluding any items the Owner has agreed to pay pursuant to Paragraph 13 of the Participation Agreement), arising out of or as the result of the occurrence of an Event of Default under this Lease or any event which with notice or lapse of time or both would become an Event of Default under this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit, the compliance or noncompliance by the Lessee with any applicable law, rule or regulation with respect to the use, maintenance or operation of any Unit, or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person (except as otherwise provided in § 13 of this Lease); provided, however, that the Lessee shall not be required to indemnify any Indemnified Person in respect of such Indemnified Person's wilful misconduct or negligence or in respect of a breach by the Lessor of any of its obligations hereunder. The indemnities arising under this paragraph shall continue in full force and effect with respect to all events, facts, conditions or other circumstances occurring or existing prior to the expiration or termination of the term of this Lease and return of the Units as provided in § 11 or § 13 of this Lease, notwithstanding such expiration, termination and return; provided, however, that the foregoing indemnification shall not apply to any failure of payment of the principal of or interest on the Conditional Sale Indebtedness and shall not be deemed to operate as a guarantee of the residual value of any Unit. The amount the Lessee shall be required to pay with respect to any of its obligations under this paragraph shall include a payment to the indemnified party sufficient to restore such party to the same position, after considering the effect of such payment on its income taxes, that the indemnified party would have been in had the liability or expense indemnified against not been incurred. The Lessee shall be obligated under this § 9, irrespective of whether the Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person 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 an Indemnified Person in connection with any claim, indemnified against hereunder, the Lessee may,

and upon the request of the Indemnified Person 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, 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 the Indemnified Person in connection with such action, suit or proceeding. The Lessee and the Lessor each agrees to give the other promptly upon obtaining knowledge (which in the case of the Lessor shall mean actual knowledge of an officer or employee of the Lessor's Corporate Trust Department) thereof written notice of any claim or liability hereby indemnified against. 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, it shall be subrogated to any right of the Indemnified Person in respect of the matters against which indemnity has been given. Any payments received by an Indemnified Person from any person (except the Lessee) as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to this § 9 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made in respect of such matter.

In the event that the Lessor shall become obligated to make any payment to the Vendor or otherwise pursuant to the first paragraph of Article 13 of the CSA not covered by the preceding paragraph, the Lessee shall pay such additional amounts to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said provision; provided, however, that the Lessee shall not be required to make any such payment in respect of any amount the Lessor shall become obligated to pay pursuant to such Article 13 in respect of a default or an event of default under the CSA unless such default or event of default shall be attributable to a default by the Lessee or an Event of Default hereunder.

The Lessee agrees to prepare and deliver, at its expense, to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with

any United States or Canadian Federal, provincial, state or other regulatory authority by reason of the interest of the Lessor or the Vendor in the Units or the leasing thereof to the Lessee; provided, however, that, in the case of any filing with any United States Federal, state or other regulatory authority, the Lessor shall have made a written request to the Lessee for such filing within a reasonable time prior to the requested date of filing.

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

(a) default shall be made in payment of any amount provided in § 3, § 7 or § 14 hereof and such default shall continue for 10 days after such payment is due;

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

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

(d) any representation or warranty made by the Lessee in the Participation Agreement or in any document or certificate furnished by the Lessee to the Lessor, the Owner or the Vendor in connection herewith or therewith or pursuant hereto or thereto shall be incorrect in any material respect when made;

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

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

(B) by notice in writing to the Lessee, terminate

this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rentals 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 Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 6% 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 Lessor 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 equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the

Lessor reasonably estimates to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time; provided, however, that in the event the Lessor shall have sold any Unit, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this subparagraph (B) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor on the date of such sale (in addition to the amounts payable pursuant to §§ 6, 9 and 15 hereof), 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 for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies, except as otherwise provided above, and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

In the event the Lessee shall fail to pay any amount hereunder by reason of the failure to obtain the necessary Parliamentary appropriations, then the Lessor, at its option, may, by notice in writing to the Lessee, terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom.

If the Lessee fails to perform or comply with any agreement, covenant or condition contained in this Lease, and such nonperformance or noncompliance could,

with the lapse of time and/or demand or failure to take action, result in an Event of Default under clause (a) or (b) of this § 10, the Lessor itself may (but shall not be obligated to), upon notice to the Lessee, perform or comply with such agreement, covenant or condition to the extent provided in Article 15(e) of the CSA, and the amount of the reasonable costs and expenses of the Lessor incurred in connection with such performance or compliance, together with interest on such amounts at the rate of 2% per annum over the Floating Prime Rate (as defined in Article 4 of the CSA), shall be payable to the Lessor by the Lessee upon demand.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its 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 due hereunder and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

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

§ 11. Return of Units upon Default. If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Unit so to return such Units. Each Unit returned to the Lessor pursuant to this § 11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear and modifications, if any, permitted by this Lease excepted and (ii) be in compliance with the Applicable Laws. For the purpose of delivering possession of any Unit or Units to the Lessor as above

required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner cause such Units to be placed upon such storage tracks as the Lessor reasonably may designate;

(b) permit the Lessor to store such Units on such tracks until such Units have been sold, leased or otherwise disposed of by the Lessor; and

(c) cause the Units to be transported to any reasonable place on any lines of a Canadian railway or to the point of interconnection with any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. All per diem amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay, as liquidated damages for the failure so to assemble, deliver and store such Unit, to the Lessor for each day thereafter an amount equal to the amount, if any, by which 1/180 of the rental payment on the next preceding rental payment date exceeds the actual earnings received by the Lessee on such Unit for each such day and paid over to the Lessor pursuant to the preceding sentence; such payment shall not affect the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this paragraph.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 11, the Lessee hereby irrevocably appoints the Lessor as the agent

and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whosoever shall be in possession of such Unit at the time.

§ 12. Assignment; Possession and Use. The Lessor agrees that it will not assign any of its rights under this Lease without the prior written consent of the Lessee, except as provided in Article VII of the Trust Agreement, and the Lessee shall be under no obligation to any assignee of the Lessor except under written notice of such assignment from the Lessor; provided, however, that upon receiving notice of any such assignment the Lessee shall give the necessary acknowledgment of such notice required to be given under Part IX of the Financial Administration Act (Canada) in order to make such assignment effective.

So long as no Event of Default or event which with notice or lapse of time would become an Event of Default exists hereunder, the Lessee shall be entitled to the quiet enjoyment, possession and use of the Units and, without the Lessor's consent, to sublease the Units to, or to permit their use by, or to enter into an operating agreement with respect to the Units with, a user incorporated in Canada or in the United States of America (or any state thereof or the District of Columbia), upon lines of railroad owned or operated by the Lessee or such user or over which the Lessee or such user has trackage rights or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and upon the lines of railroad of connecting and other carriers in the usual interchange of traffic or in through or runthrough service, but only upon and subject to all the terms and conditions of this Lease; provided, however, that (1) the Lessee shall not sublease or use or permit the sublease or use of any Unit outside the United States of America or Canada and (2) that the Lessee shall not sublease any Unit or enter into an operating agreement with respect to any Unit in either case for a term of more than one year without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, except that no such consent shall be necessary in the case of any operating agreement with Canadian National Railway

Company ("CNR") or Canadian Pacific Limited ("CP"), provided that upon the request of the Lessor or the Vendor the Lessee will deliver a copy of any such operating agreement with CNR or CP, as the case may be, or the operative portions thereof to the Lessor and the Vendor. No such sublease or agreement for use by others shall relieve the Lessee of its obligations hereunder which shall be and remain those of a principal and not a surety.

Any such sublease or operating agreement shall be subject to the rights and remedies of the Lessor under this Lease in respect of the Units covered by such sublease or agreement upon the occurrence of an Event of Default hereunder and shall obligate the sublessee or user of such Units to maintain such Units in at least as good operating order, condition and repair as required by § 7 hereof.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged (a) any lien, charge, security interest or other encumbrance (except any sublease as aforesaid and other than an encumbrance resulting from claims against the Lessor not related to the ownership or leasing of the Units and except any lien created by the CSA) which may at any time be imposed on or with respect to any Unit including any accession thereto or the interest of the Lessor or the Lessee therein, except that this covenant will not be breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent, (b) any rights, claims, liens, security interests or other encumbrances arising from, through or under Itel Corporation or its assignees and (c) any claims, liens, security interests or other encumbrances created by any person other than the Builder or any of its affiliates, after such Unit has been handed over by the Builder to CNR at the storage area at the Builder's plant pursuant to the Bailment Agreement dated as of April 22, 1980, between the Builder and CNR, as amended by an amendment thereto dated as of May 8, 1980; provided, however, that the Lessee shall be under no obligation to discharge any such right, lien, charge, security interest or encumbrance so long as it is contesting the same in good faith and by appropriate legal proceedings and the failure to discharge the same does not, in the opinion of the Lessor, adversely affect the title, property

or rights of the Lessor hereunder or of the Vendor under the CSA.

The Lessor agrees that it will, at its own cost and expense, and in its individual capacity, promptly take such action as may be necessary to duly discharge any liens or encumbrances on any of the Units which result from claims against the Lessor not related to the ownership of the Units or the administration of the Trust Estate (as defined in the Trust Agreement).

§ 13. Return of Units upon Expiration of Term. As soon as practicable on or after the expiration of the original or any extended term of this Lease, the Lessee will (unless the Units are sold to the Lessee or shall have suffered a Casualty Occurrence), at its own cost and expense, at the request of the Lessor, deliver possession of the Units to the Lessor upon such storage tracks as the Lessor may reasonably designate and permit the Lessor to store such Units on such tracks for a period not exceeding 90 days and transport the same, at any time within such 90-day period, to a final destination at any reasonable place on any lines of a Canadian railway or to the point of interconnection with any connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days' written notice to the Lessee, the movement and storage of the Units to be at the expense and risk of the Lessee during such 90-day period. During any such storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising either on behalf of the Lessor or any prospective purchaser, lessee or user, the rights of inspection granted under this sentence. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease and, upon application to any court having jurisdiction in the premises, the Lessor shall be entitled to a judgment, order or decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. Each Unit returned to the Lessor pursuant to this § 13 shall (i) be in the same operating order, repair and condition as when originally delivered

to the Lessee, ordinary wear and tear and modifications, if any, permitted by this Lease excepted and (ii) be in compliance with the Applicable Laws.

§ 14. Renewal and Purchase Options. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than six months prior to the end of the original term or any extended term of this Lease, as the case may be, (i) elect to extend the term of this Lease in respect of all, but not fewer than all, the Units then covered by this Lease, for any number of separate successive two-year periods commencing on the scheduled expiration of the original term or extended term of this Lease, as the case may be, at a Fair Market Rental (as hereinafter defined) payable in semiannual payments in arrears, commencing six months after the next preceding rental payment date, in each year of such extended term; or (ii) at the end of the second two-year renewal term or any succeeding renewal term, as provided above, purchase all, but not fewer than all, the Units then subject to this Lease, at a Fair Market Purchase Price (as hereinafter defined) payable at the end of such extended term. Any such extension shall be on the same terms and conditions as are contained in this Lease, except as to the amount of rentals, which shall be at a Fair Market Rental, payable semiannually in arrears, and except as to applicable Casualty Values and Termination Values, if any, which shall be as agreed upon between the Lessor and the Lessee at the time of such extension, or as shall be determined by appraisal as set forth below.

The Fair Market Rental and Fair Market Purchase Price shall be determined on the basis of, and shall be equal in amount to, the cash rental for a two-year renewal of this Lease or the purchase price (as of such date as the context herein requires), as the case may be, which would obtain in an arm's-length transaction between an informed and willing lessee or purchaser (other than a scrap or used equipment dealer) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental or purchase price and assuming that the Units have been collected in one place directed by the Lessor, but there shall be excluded any value attributable to additions, modifications and improvements which the Lessee

is entitled to remove pursuant to § 9 hereof. If, after 60 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease or to exercise its purchase option, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental or Fair Market Purchase Price of the Units, such rental or purchase price shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such rental or purchase price 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 business days after such notice is given, each party shall appoint an independent appraiser within 25 business days after such notice is given, and the two appraisers so appointed shall within 35 business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 business days after such notice is given, either party may request the American Arbitration Association to make such appointment, 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 or Fair Market Purchase Price, as the case may be (and, in the case of any renewal term, the Fair Market Rental and Fair Market Purchase Price at the beginning and end of such renewal term), of the Units then subject to this Lease or any extended term thereof, within 70 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 or Fair Market Purchase Price, as the case may be, of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from that of 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 or Fair Market Purchase Price, as the case may be. 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 or Fair Market Purchase Price, as

the case may be, 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 Lessor.

Upon payment of the purchase price of any Unit, pursuant to an election by the Lessee to purchase the Units, the Lessor shall upon request of the Lessee execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without warranties) for such Unit such as will transfer to the Lessee such title to such Unit as the Lessor derived from the Vendor, free and clear of all liens, security interests and other encumbrances arising through the Lessor.

§ 15. Tax Indemnification.

(a) Tax Assumptions. This Lease has been entered into, and the Owner's Net Economic Return has been estimated, on the basis of the following assumptions for Federal, state and local income and franchise tax purposes (hereinafter referred to as the "Tax Assumptions"):

(1) this Lease will be treated as a true lease, and the Owner will be treated as the beneficial owner of the Equipment;

(2) each Unit will be placed in service on its delivery date;

(3) the initial marginal Federal income tax rate to which the Owner will be subject in respect of its taxable income will be 46%; and

(4) the Owner will be entitled to take into account with respect to each Unit such credits, deductions and other benefits as are provided by the Internal Revenue Code of 1954, as amended (the "Code"), and the state and local taxing statutes in the jurisdictions in which the Owner has its principal office, including, without limitation:

(A) deductions for depreciation of 100% of the Purchase Price of each Unit (the "Depreciation

Deductions"), computed on the following basis:

(i) election of the class life asset depreciation range system of depreciation under section 167(m) of the Code and Treasury Regulation § 1.167(a)-11 and selection of an asset depreciation period of fifteen years;

(ii) 12 months of depreciation in the calendar year 1980, based upon the election of the "modified half-year" convention, if the Owner properly elects such convention and if the delivery date of such Unit occurs before July 1, 1980;

(iii) use of the double declining balance method of depreciation provided in section 167(b)(2) of the Code, and then switching to the sum-of-the-years-digits method of depreciation provided in section 167(b)(3) of the Code when most beneficial to the Owner; and

(iv) a net salvage value not exceeding 10% of the Purchase Price of such Unit, to be reduced to zero by the election permitted by section 167(f) of the Code;

(B) deductions with respect to interest payable on the Conditional Sale Indebtedness (the "Interest Deductions"); and

(C) amortization or depreciation of the Owner's expenses incurred in connection with this transaction (the "Amortization Deductions") at a rate no less rapid than straight line over the original Lease term.

The Owner will claim the Depreciation Deductions, the Interest Deductions and the Amortization Deductions on its Federal income tax returns and on the appropriate state and local income or franchise tax returns.

(b) Consistent Tax Returns. The Lessee agrees that neither it nor any affiliate will at any time take

any action, directly or indirectly, or file any returns or other documents inconsistent with any of the Tax Assumptions or any of the statements set forth in clause (A), (B) or (C) of subparagraph (c)(3) of this § 15, and that the Lessee and any such affiliate will file such returns, take such actions and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent expressed in paragraph (a) and the statements set forth in clauses (A), (B) and (C) of subparagraph (c)(3) of this § 15.

(c) Indemnification. If by reason of

(1) any act of commission, omission or misrepresentation on the part of the Lessee,

(2) breach of any agreement, covenant, or warranty on the part of the Lessee contained herein or in the Participation Agreement or any exhibit thereto,

(3) the inaccuracy in law or in fact at the date of delivery by the Builder to the Lessor of any Unit of any representation on the part of the Lessee contained herein or in the Participation Agreement or in any exhibit thereto, or in any of the following statements:

(A) such Unit, on the date of its delivery by the Builder to the Lessor, will constitute new property, and the original use of such Unit, within the meaning of Section 167 of the Code, will commence with the Lessor,

(B) the Purchase Price of such Unit will be less than or equal to its fair market value on its delivery date, or

(C) such Unit is not "limited use property" within the meaning of Rev. Proc. 76-30, 1976-2 C.B. 647, as amended, or

(4) the inaccuracy at the date of delivery by the Builder to the Lessor of any Unit of the opinion required pursuant to Paragraph 8(iii) of the Participation Agreement,

the Owner shall not be allowed for any taxable year (or portion thereof) all or any portion of the Depreciation Deductions, the Interest Deductions or the Amortization Deductions, or all or any portion of the Depreciation Deductions is recaptured pursuant to section 1245 of the Code or any other similar provision (any such nonallowance or recapture being referred to hereinafter as a "Loss"), then, unless excused by the provisions of paragraph (d) hereof, the Lessee will pay to the Owner an amount which, after reduction by all taxes (other than taxes on Canadian withholding taxes) required to be paid by the Owner in respect of the receipt of such amount, shall be equal to the sum of the aggregate additional Federal, state or local income taxes, or franchise taxes based on income, payable by the Owner with respect to such taxable year as the result of any such Loss plus, on an after-tax basis, an amount equal to any interest, additions to tax or penalties associated with such income or franchise taxes payable by the Owner. If, as a result of a Loss, the aggregate Federal, state or local income or franchise taxes paid by the Owner for any taxable year, including any taxable year after the expiration of this Lease, shall be less than the amount of such taxes which would have been payable by the Owner had no such Loss occurred, then the Owner will pay the Lessee promptly the amount of such difference in taxes plus any additional tax benefits realized by the Owner as a result of such payment; provided, however, that the Owner shall not be obligated to make any payment pursuant to this sentence to the extent that the sum of such payment and all other payments by the Owner for that Loss pursuant to this paragraph (c) would exceed the amount of all payments by the Lessee to the Owner for that Loss pursuant to this paragraph (c). Any amount which the Owner would have been required to pay the Lessee under this paragraph (c) but for the limitations in the preceding sentence shall reduce pro tanto the amount, if any, which the Lessee is subsequently obligated to pay the Owner under this paragraph (c). All amounts payable to the Owner hereunder shall be paid promptly, and in any event within 30 days after receipt by the Lessee of a written demand therefor, accompanied by a written statement describing in reasonable detail the related Loss and the computation of the amount so payable; provided, however, that the Lessee shall not be required to pay any such amount prior to the time provided in subparagraph (f) if the Loss in question is being contested, or, if there is no contest of such Loss, prior to the earlier of (i) the filing of a return or the accep-

tance of an audit report or closing agreement in which such Loss is reflected and (ii) the payment of additional tax which becomes due as a result of such Loss. Any payment due to the Lessee from the Owner pursuant to this paragraph (c) shall be paid promptly and in any event within 30 days after the Owner realizes any such savings in its income or franchise taxes or additional tax benefits, as the case may be.

(d) Limitation on Indemnification. Notwithstanding anything to the contrary set forth in paragraph (c), the Lessee shall have no liability to the Owner for indemnification hereunder for any Loss,

(1) to the extent that such Loss is a direct result of the occurrence of any event which causes the Lessee to pay in full the Casualty Value or the Termination Value of any Unit; or

(2) to the extent of any tax penalties for which the Owner becomes liable other than by reason of any transaction contemplated by the Participation Agreement.

(e) Indemnity for Capital Expenditures. If at any time the Owner is required by (i) a provision of any tax law or the regulations promulgated thereunder; (ii) any published revenue ruling, revenue procedure, or other published statement of position by any taxing authority which has not been held invalid by any court having appellate jurisdiction over the tax liability of the Owner in a decision which has become final; or (iii) a determination upon any audit of the Owner's tax return, to include in its gross income for Federal, state or local income or franchise tax purposes an amount in respect of any Addition to any Unit ("Capital Expenditures"), then the Lessee will pay to the Owner such amount or, from time to time, such amounts which, after reduction by all taxes (other than taxes on Canadian withholding taxes) required to be paid by the Owner in respect of the receipt of such amounts, shall be equal to the sum of the aggregate additional Federal, state or local income or franchise taxes payable by the Owner from time to time as a result of such Capital Expenditure, plus, on an after-tax basis, an amount equal to any interest, additions to tax or penalties associated with such income or franchise taxes payable by the Owner. If as a result of any Capital Expenditure the aggregate Federal,

state or local income or franchise taxes paid by the Owner for any taxable year, including any taxable year after the expiration of this Lease, shall be less than the amount of such taxes which would have been payable by the Owner had such Capital Expenditure not been made, then the Owner will pay the Lessee the amount of such savings in taxes plus any additional tax benefits realized by the Owner as the result of such payment; provided, however, that the Owner shall not be obligated to make any payment pursuant to this sentence to the extent that the sum of such payment and all other payments by the Owner for that Addition pursuant to this paragraph (e) would exceed the amount of all payments by the Lessee to the Owner for that Addition pursuant to this paragraph (e). Any amount which the Owner would have been required to pay the Lessee under this paragraph (e) but for the limitations in the preceding sentence shall reduce pro tanto the amount, if any, which the Lessee is subsequently obligated to pay the Owner under this paragraph (e). All amounts payable to the Owner hereunder shall be paid promptly, and in any event within 30 days, after receipt by the Lessee of a written demand therefor, accompanied by a written statement describing in reasonable detail the inclusion in gross income and the computation of the amount so payable; provided, however, that the Lessee shall not be required to pay any such amount prior to the time provided in paragraph (f) if the inclusion in question is being contested, or, if there is no contest of such inclusion, prior to the earlier of (i) the filing of a return or the acceptance of an audit report or closing agreement in which such inclusion is reflected and (ii) the payment of additional tax which becomes due as a result of such inclusion. Any payment due to the Lessee from the Owner pursuant to this paragraph (e) shall be paid promptly and in any event within 30 days after the Owner realizes any such savings in its income or franchise taxes or additional tax benefits, as the case may be. The Owner shall attempt to maximize the tax benefits to which it may become entitled as a result of the inclusion of the cost of Capital Expenditures in gross income, by making such elections (including, where advantageous, the applicable asset guideline repair allowance and accelerated depreciation, if then permitted) and utilizing such conventions and accounting methods as will further such objectives; provided, however, that the Owner shall not be required to make any election or utilize a particular convention or accounting method if the Owner shall determine, in its sole discretion,

that in so doing it will adversely affect its tax liability determined without regard to this transaction.

(f) Contest of Disallowance of Tax Benefits. In the event a claim shall be made at any time by the Internal Revenue Service which, if successful, would require the Lessee to indemnify the Owner under paragraph (c) or (e) of this § 15, the Owner hereby agrees to take such action in connection with contesting such claim as the Lessee shall reasonably request in writing from time to time; provided, however, that: (i) within 30 days after notice by the Owner to the Lessee of such claim, the Lessee shall request that such claim be contested; (ii) the Owner, at its sole option, may forego any and all administrative appeals, proceedings, hearings and conferences with the Internal Revenue Service in respect of such claim and may, at its sole option, either pay the tax claimed and sue for a refund in the appropriate United States District Court or the United States Court of Claims, as the Owner shall elect, or contest such claim in the United States Tax Court; (iii) prior to taking such action, the Lessee shall have furnished the Owner with an opinion of Sidley & Austin or other independent tax counsel satisfactory to the Owner to the effect that a meritorious defense exists to such claim; (iv) the Lessee shall have indemnified the Owner in a manner satisfactory to it for any liability or loss arising out of the transactions contemplated by the Participation Agreement which the Owner may incur as the result of contesting such claim and shall have agreed to pay the Owner on demand an amount which, after payment of all taxes incurred in respect of the receipt thereof, less any taxes saved by the deduction thereof, shall be equal to all costs and expenses which the Owner may incur in connection with contesting such claim, including, without limitation, reasonable attorneys' and accountants' fees and disbursements, and the amount of any interest or penalty which may ultimately be payable as a result of contesting such claim; and (v) if the Owner shall have elected hereunder to pay the tax claimed and then seek a refund, the Lessee will provide the Owner with sufficient funds, on an interest free basis, to pay the tax. If any such claim referred to above shall be made by the Internal Revenue Service and the Lessee shall have reasonably requested the Owner to contest such claim as above provided and shall have duly complied with all the terms of this paragraph (f), the Lessee's liability for

indemnification shall become fixed upon final determination of the liability of the Owner. At such time the Lessee shall become obligated for the payment of any indemnification hereunder resulting from the outcome of such contest, and the Owner shall become obligated to pay to the Lessee any refund received (or the amount of any credit of tax pursuant to Section 6402 of the Code), plus any tax benefits realized by the Owner as a result of such payment by the Owner to the Lessee. The obligations of the Owner and the Lessee will first be set off against each other and any difference owing by either party shall be paid within 30 days after such final determination. If in connection with such final determination the Owner received a refund of tax, any interest also received by the Owner and fairly attributable to such refund of tax will be paid over to the Lessee. In the case of any such claim by the Internal Revenue Service referred to above, the Owner agrees promptly to notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed nor to consent to the assessment of any deficiency relating to such claim for at least 30 days after the giving of such notice and agrees to give to the Lessee any relevant information relating to such claim which may be particularly within the knowledge of the Owner and otherwise to cooperate with the Lessee in good faith in order to contest any such claim effectively.

(g) Definition of Owner. For purposes of this § 15, the term "Owner" shall include any member of an affiliated group, within the meaning of Section 1504 of the Code, of which the Owner is a member.

(h) Computation. All computations required to be made as a result of indemnity claims under this § 15 shall be made in the first instance by the Owner. The Owner further agrees to maintain and keep all original assumptions and materials relating to the calculation of the Owner's economic and accounting return over the term of this Lease. If requested by the Lessee, such computations, assumptions and materials shall, at the Lessee's expense, be provided to and verified by independent public accountants jointly selected by the Owner and the Lessee, and the Lessee shall reimburse the Owner for all amounts paid to outside contractors, including but not limited to attorneys, auditors or other third parties reasonably necessary to make such computations or verify such assumptions and materials.

§ 16. Recording. The Lessee will cause this Lease, the CSA and any assignment hereof or thereof to be filed in accordance with 49 U.S.C. § 11303 and as contemplated by Paragraph 7(b) of the Participation Agreement. The Lessee will undertake the filing, registering, deposit and recording required of the Lessor under the CSA and will from time to time, at the expense of the Lessee, 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 (including renewals of the filings contemplated by Paragraph 7(b) of the Participation Agreement) or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective rights in the Units, or for the purpose of carrying out the intention of this Lease, the CSA and the Assignment (as defined in the Participation Agreement). The Lessee will promptly furnish to the Vendor and the Lessor evidence of all such filing, registering, depositing, recording and other acts which may be required under this § 16. The filings referred to in the first sentence of this § 16 shall be made prior to the delivery and acceptance hereunder of any Unit.

§ 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, to the extent legally enforceable, an amount equal to interest at a rate equal to 2% per annum over the Floating Prime Rate on the overdue rentals and other obligations for the period of time during which they are overdue.

§ 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 mails, first-class postage prepaid, addressed as follows:

if to the Lessor, at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department; and

if to the Lessee, at 423 Main Street, Winnipeg, Manitoba R3C 2P5, Attention of Treasurer/Comptroller;

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, certificate, document or report required to be furnished by any party to the Vendor shall be delivered to the Vendor at its applicable address for notices under the Participation Agreement.

§ 19. Additional Rental Adjustments in Certain Circumstances. Notwithstanding anything herein to the contrary, in the event the Owner shall elect to purchase all or any portion of the unrepaid investment of Morgan Guaranty Trust Company of New York (the "Investor") in the Conditional Sale Indebtedness pursuant to clause (y) of paragraph (b) of Paragraph 19 of the Participation Agreement, the rentals provided herein (and the related schedules of Casualty Value and Termination Value) for the Units relating to the portion of the Investor's interest so purchased shall be adjusted to such rate as shall cause the cost to the Lessee with respect to such Units to be 12.75% per annum nominal implicit rate (plus an upward adjustment to preserve the after-tax economic yields and cash flows for such Units that the Owner would have had, after giving effect to such purchase, if the Owner had not been required to pay on January 1, 1981, the interest accrued on the Conditional Sale Indebtedness from the first Closing Date (as defined in the CSA) to January 1, 1981) during the basic term of the Lease commencing on January 1, 1981. In the event the Owner shall have the right to make such election but shall not elect to purchase the entire interest of the Investor, the rentals provided herein (and the related schedules of Casualty Value and Termination Value) for the Units relating to the portion of the Investor's interest not so purchased shall be adjusted to preserve the Owner's Net Economic Return with respect to such Units (such adjustments to preserve Net Economic Return will include any adjustment necessitated by the difference, if any, on each day after the first Closing Date between 13% per annum and the rate of interest payable on the Conditional Sale Indebtedness on such day).

The parties agree to cooperate fully in the preparation of the documents required to effect the changes required in this Lease to implement the foregoing provisions of this § 19.

§ 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.

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

§ 21. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Connecticut; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing, recording or deposit hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Lease or any assignment hereof shall be filed, recorded or deposited, or in which any Unit of the Equipment shall be located, and any rights arising out of the markings of the Units of Equipment. Notwithstanding anything herein to the contrary, any action, suit or proceeding to enforce the obligations of the Lessee or Her Majesty in right of Canada hereunder shall be brought only in an appropriate forum in Canada.

§ 22. Execution. This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first set forth above, the actual dates of execution hereof by the parties hereto are dates stated in the acknowledgments hereto annexed.

§ 23. Immunities; No Recourse. It is expressly understood and agreed by and between the parties hereto,

anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein, made on the part of the Lessor, are made and intended not as personal representations, warranties, covenants, undertakings and agreements by The Connecticut Bank and Trust Company, or for the purpose or with the intention of binding said bank personally, but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Lease is executed and delivered by said bank not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of gross negligence or wilful misconduct on the part of such bank, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank or the Owner on account of this Lease or on account of any representation, warranty, covenant, undertaking or agreement of the Lessor or the Owner herein, other than pursuant to the last sentence of the fifth paragraph of § 9 hereof or the last paragraph of § 12 hereof and, in the case of the Owner, § 15 hereof, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee, the Vendor and by all persons claiming by, through or under either of them.

§ 24. Judgment. (a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in U.S. dollars into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lessor could purchase U.S. dollars with such other currency on the business day preceding that on which final judgment is given.

(b) The obligation of the Lessee in respect of any sum due from it to the Lessor hereunder shall, notwithstanding any judgment in a currency other than U.S. dollars, be discharged only to the extent that on the business day following receipt by the Lessor of any sum adjudged to be so due in such other currency the Lessor may in accordance with normal banking procedures purchase U.S. dollars with such other currency; if the U.S. dollars so purchased are less than the sum originally due to the Lessor in U.S. dollars, the Lessee agrees, as a separate obligation and

notwithstanding any such judgment, to indemnify the Lessor against such loss, and if the U.S. dollars so purchased exceed the sum originally due to the Lessor in U.S. dollars, the Lessor agrees to remit to the Lessee such excess.

§ 25. Payment of Certain Expenses. In the event the transactions contemplated by the Participation Agreement are not consummated, or if no Equipment is delivered under the CSA and this Lease, on or prior to December 31, 1980, all Transaction Expenses (as defined in Paragraph 13 of the Participation Agreement) and all amounts referred to in the penultimate sentence of the first paragraph of Paragraph 13 of the Participation Agreement will be paid by the Lessee. In addition, the Lessee will pay the reasonable fees and disbursements of the Vendor and the Lessor incurred subsequent to the termination of this Lease by the Vendor after the occurrence of an Event of Default hereunder or attributable to periods during the continuance of a Declaration of Default made under the CSA while an Event of Default hereunder shall have occurred and be continuing. The obligations of the Lessee under this § 25 will survive termination of this Lease.

§ 26. Applicable Statutory Provisions. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that the obligations of the Lessee and Her Majesty in right of Canada hereunder shall be subject to the provisions of the Financial Administration Act (Canada), as in effect on the date of execution hereof.

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

THE CANADIAN WHEAT BOARD,
a body corporate acting as
agent of Her Majesty in right
of Canada,

by W. E. Jarvis
Chief Commission

[Seal]

Attest:

J. E. McLaughlin
Secretary

by R. L. Kristjanson
Ass't. Chf. Commissioner

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Donald E. Smith
Authorized Officer

[Corporate Seal]

Attest:

Clark M. Whitcomb
Authorized Officer

PROVINCE OF Manitoba ,)
) ss.:
CITY OF Winnipeg ,)

On this 5th day of June 1980, before me personally appeared W. E. Jarvis , to me personally known, who, being by me duly sworn, says that he is the Chief Commissioner of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Board.

Anders Bruun
Notary Public

My Commission Expires

March 31, 1981

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

On this 5th day of June 1980, before me personally appeared Donald E. Smith , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the 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.

Barbara S. Kacich
Notary Public

[Notarial Seal]

My Commission Expires
Barbara S. Kacich
Notary Public
My Commission Expires March 31, 1982

SCHEDULE A TO LEASE

Type	Quantity	Lessee's Road Numbers (Both Inclusive)
Covered hopper cars	1,000	CPWX 604302 through 605301

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	Casualty Value Payment Date	Percentage of Purchase Price
1/1/81	112.30	1/1/94	110.00
7/1/81	112.30	7/1/94	107.32
1/1/82	115.00	1/1/95	104.55
7/1/82	117.45	7/1/95	101.63
1/1/83	119.38	1/1/96	98.56
7/1/83	121.03	7/1/96	95.29
1/1/84	122.41	1/1/97	91.80
7/1/84	123.52	7/1/97	88.08
1/1/85	124.34	1/1/98	84.17
7/1/85	124.89	7/1/98	80.25
1/1/86	125.16	1/1/99	76.44
7/1/86	125.17	7/1/99	72.66
1/1/87	124.90	1/1/00	69.04
7/1/87	124.37	7/1/00	65.49
1/1/88	123.70	1/1/01	62.16
7/1/88	122.99	7/1/01	58.96
1/1/89	122.22	1/1/02	55.79
7/1/89	121.41	7/1/02	52.40
1/1/90	120.54	1/1/03	48.94
7/1/90	119.61	7/1/03	45.25
1/1/91	118.62	1/1/04	39.41
7/1/91	117.56	7/1/04	34.33
1/1/92	116.43	1/1/05	27.06
7/1/92	115.22	7/1/05	23.54
1/1/93	113.94	1/1/06	19.81
7/1/93	112.58		

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price	Termination Dates	Percentage of Purchase Price
1/1/91	116.58	1/1/99	73.15
7/1/91	115.46	7/1/99	69.27
1/1/92	114.27	1/1/00	65.54
7/1/92	113.00	7/1/00	61.89
1/1/93	111.64	1/1/01	58.45
7/1/93	110.21	7/1/01	55.14
1/1/94	107.56	1/1/02	51.85
7/1/94	104.81	7/1/02	48.35
1/1/95	101.96	1/1/03	44.76
7/1/95	98.97	7/1/03	40.95
1/1/96	95.81	1/1/04	33.97
7/1/96	92.45	7/1/04	25.75
1/1/97	88.88	1/1/05	19.35
7/1/97	85.07	7/1/05	13.68
1/1/98	81.07	1/1/06	9.81
7/1/98	77.06		

SCHEDULE D TO LEASE

Certificate of Acceptance

To: The Connecticut Bank and Trust Company,
as Trustee (the "Lessor")
One Constitution Plaza
Hartford, Connecticut 06115
Attention of Corporate Trust Department

I, the duly authorized representative of The Connecticut Bank and Trust Company (the "Lessor") and The Canadian Wheat Board (the "Lessee"), for the purposes of the Conditional Sale Agreement dated as of April 1, 1980, between Hawker Siddeley Canada Ltd. and the Lessor and the Lease of Railroad Equipment dated as of April 1, 1980, between the Lessee and the Lessor, DO HEREBY CERTIFY that there has been inspected on behalf of the Lessee and the Lessor and found to be completed and marked in accordance with the said Conditional Sale Agreement and Lease and the applicable specifications, requirements and standards referred to in said Conditional Sale Agreement, and that there has been delivered to the Lessor at

, and fully and finally accepted by me on behalf of the Lessee and the Lessor (both under the said Conditional Sale Agreement and the said Lease), the following units of railroad equipment constructed by Hawker Siddeley Canada Ltd. pursuant to said Conditional Sale Agreement:

Description	Quantity	No.

I DO HEREBY FURTHER CERTIFY that, in accordance with Article 9 of the said Conditional Sale Agreement and § 5 of the said Lease, there is plainly, distinctly, permanently and conspicuously marked on each side of each of said units the following legnd in letters not less than one inch in height:

"Owned by a Bank or Trust Company. Ownership Subject to a Conditional Sale Agreement Filed with the Interstate Commerce Commission."

Dated: , 1980

_____
Authorized Representative of
Lessor and Lessee

Builder: Hawker Siddeley
Canada Ltd.

EXHIBIT B
to
Participation Agreement

[CS&M Ref: 2043-988]

AGREEMENT AND ASSIGNMENT

Dated as of April 1, 1980

Between

HAWKER SIDDELEY CANADA LTD.

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

as Agent

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on June 10, 1980, at 12:15 p.m., recordation number 11886-A. A U.C.C. Financing Statement with respect to the equipment described in the C.S.A. was filed with the Office of the Secretary of State of the State of Connecticut on June 12, 1980, at 9:26 a.m., recordation number 424564.

AGREEMENT AND ASSIGNMENT dated as of April 1, 1980, between HAWKER SIDDELEY CANADA LTD. (the "Builder") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, acting as Agent under a Participation Agreement dated as of the date hereof (the "Assignee").

The Builder and The Connecticut Bank and Trust Company, as Trustee (the "Vendee"), under a Trust Agreement dated as of the date hereof (the "Trust Agreement"), with the Assignee and J. P. Morgan Interfunding Corp., have entered into a Conditional Sale Agreement dated as of the date hereof (the "Conditional Sale Agreement") covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendee of the railroad equipment described in Annex B to the Conditional Sale Agreement (the "Equipment").

The Vendee and The Canadian Wheat Board (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the lease to the Lessee of the Equipment.

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

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

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

(b) all the right, title and interest of the

Builder in and to the Conditional Sale Agreement (except the right to construct and deliver the Equipment, the right to receive the payments specified in subparagraph (a) of the third paragraph of Article 4 thereof, the indemnity of the Builder pursuant to Article 13 of the Conditional Sale Agreement and reimbursement for taxes paid or incurred by the Builder), and except as aforesaid in and to any and all amounts which may be or become due or owing to the Builder under the Conditional Sale Agreement on account of the indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the Conditional Sale Agreement, other than those hereinabove excluded; and

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

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

SECTION 2. The Builder agrees that it shall

construct the Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Vendee in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Builder. The Builder further agrees that it will warrant to the Assignee and the Vendee that immediately prior to the time of delivery and acceptance of each unit of Equipment manufactured by it under the Conditional Sale Agreement, it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature arising from, through or under the Builder, except only (i) liens arising under the following Nova Scotia statutes: the Workers' Compensation Act, Assessment Act, Health Services Tax Act, Labour Standards Code and The Power Corporation Act, which liens will be promptly discharged by the Builder, (ii) any rights, claims, liens, security interests or other encumbrances arising from, through or under Itel Corporation or its assignees, (iii) any claims, liens, security interests or other encumbrances created by any person other than the Builder or any of its affiliates, after such unit has been handed over by the Builder to Canadian National Railway Company ("CNR") at the storage area at the Builder's plant pursuant to the Bailment Agreement dated as of April 22, 1980, between the Builder and CNR, as amended by an amendment thereto dated as of May 8, 1980 (the "Bailment Agreement"), and (iv) the rights of any of the parties under the Participation Agreement and all Exhibits and Annexes thereto; and the Builder further agrees that it will defend such title to such unit against the demands of all persons whomsoever based on claims (other than any thereof referred to in the foregoing clauses (ii), (iii) and (iv)) arising from, through or under the Builder originating prior to the delivery of such unit by the Builder under the Conditional Sale Agreement; all subject however, to the provisions of the Conditional Sale Agreement and to the rights of the Vendee thereunder. It is understood and agreed that the Builder shall not be responsible for or incur any liability in connection with the recording or filing or the failure to record or file this Agreement, the Lease or any other documents relating thereto or copies or notices thereof, under any laws in any jurisdiction in which such recording or filing may be required. The Builder will not deliver any of the Equipment to the Vendee under the Con-

ditional Sale Agreement until the Conditional Sale Agreement and the Lease have been filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and as contemplated by Paragraph 7(b) of the Participation Agreement (the Builder and its counsel being entitled to rely on advice from special counsel for the Assignee that such filings have occurred).

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

Except in cases of articles or materials specified by the Vendee or the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Annex A to the Conditional Sale Agreement, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses,

including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment manufactured by the Builder of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

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

(a) a Bill or Bills of Sale from the Builder covering the units being settled for to the Assignee executed and delivered contemporaneously with the delivery and acceptance of such units which, subject to the timely recording or filing of the Conditional Sale Agreement, the Lease and any other documents relating thereto or copies or notices thereof in accordance with the laws of all jurisdictions in which such recording or filing is required, will transfer to the Assignee the property, and to the extent applicable, the security interest of the Builder in such units, warranting to the Assignee and to the Vendee that immediately prior to the time of delivery of such units under the Conditional Sale Agreement, the Builder had legal title to such units

and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature arising from, through or under the Builder, except (i) liens arising under the following Nova Scotia statutes: The Workers' Compensation Act, Assessment Act, Health Services Tax Act, Labour Standards Code and The Power Corporation Act, (ii) any rights, claims, liens, security interests or other encumbrances arising from, through or under Itel Corporation or its assignees, (iii) any claims, liens, security interests or other encumbrances created by any person other than the Builder or any of its affiliates, after such unit has been handed over by the Builder to CNR at the storage area at the Builder's plant pursuant to the Bailment Agreement and (iv) the rights of any of the parties under the Participation Agreement and all Exhibits and Annexes thereto; and covenanting to promptly discharge the liens referred to in clause (i) and to defend such title to such units against demands of all persons whomsoever based on claims (other than any thereof referred to in the foregoing clauses (ii), (iii) and (iv)) arising from, through or under the Builder originating prior to the delivery of such units by the Builder under the Conditional Sale Agreement;

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

(c) an invoice of the Builder for the units of the Equipment in such Group and, if required by Article 4 of the Conditional Sale Agreement, accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(d) an opinion of counsel for the Builder dated as of such Closing Date addressed to the Assignee and the Vendee to the effect that the aforesaid Bills of Sale have been duly authorized, executed and delivered by the Builder under the laws of the Province of Ontario and the Province of Nova Scotia and assuming (i) the timely recording or filing of the Conditional Sale Agreement, the Lease and any other documents relating thereto or copies or notices thereof in accordance with the laws of all jurisdictions in which such recording or filing may be required, (ii) the

Assignee has the authority and capacity to receive the property in such units, and (iii) such Bills of Sale are executed and delivered to the Assignee contemporaneously with the delivery and acceptance of such units, then under the laws of the Province of Ontario and the Province of Nova Scotia, such Bills of Sale are valid and effective to transfer to the Assignee the property of the Builder in such units and such units immediately prior to the time of delivery thereof were free of all liens, security interests and other encumbrances arising from through or under the Builder, except (a) liens arising under the following Nova Scotia statutes: The Workers' Compensation Act, Assessment Act, Health Services Tax Act, Labour Standards Code and The Power Corporation Act, (b) any rights, claims, liens, security interests or other encumbrances arising from, through or under Itel Corporation or its assignees, (c) any claims, liens, security interests or other encumbrances created by any person other than the Builder or any of its affiliates, after such unit has been handed over by the Builder to CNR at the storage area at the Builder's plant pursuant to the Bailment Agreement and (d) the rights of any of the parties under the Participation Agreement and all Exhibits and Annexes thereto; and

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

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

SECTION 5. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assign-

ment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder hereby:

(a) represents and warrants to the Assignee, the Vendee and their successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it, that, assuming due authorization, execution and delivery by the Vendee and, assuming the timely filing of the Conditional Sale Agreement and any other documents relating thereto or copies or notices thereof in accordance with the laws of all jurisdictions in which such recording or filing is required, the Conditional Sale Agreement is, insofar as the Builder is concerned, a legal, valid and existing agreement binding upon and enforceable against the Builder in accordance with its terms and that it is now in force without amendment thereto;

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

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

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

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

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

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

HAWKER SIDDELEY CANADA LTD.,

by

Ivan E. Bull
Vice President

[Corporate Seal]

Attest:

Colin A. Haines
Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

R. E. Schreiber
Assistant Vice President

[Corporate Seal]

Attest:

F. H. Gilbert
Corporate Trust Officer

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

On this 5th day of June 1980, before me personally appeared Ivan Bull , to me personally known, who being by me duly sworn, says that he is a Vice President of Hawker Siddeley Canada Ltd., 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.

Eric Elvidge
Notary Public

[Notarial Seal]

My Commission expires

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

On this 4th day of June 1980, before me personally appeared R. E. Schreiber , to me personally known, who being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Patricia A. Shilow
Notary Public

[Notarial Seal]

My Commission expires 7-1-82

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of April 1, 1980.

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee,

by Donald Smith

Authorized Officer

EXHIBIT C
to
Participation Agreement

Conditional Sale Agreement
dated as of April 1, 1980
(Secured by Lease Obligations
of The Canadian Wheat Board)

Interest Rate: Floating Prime Rate
(as hereinafter defined)

CERTIFICATE OF INTEREST

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the Agent) hereby acknowledges receipt from MORGAN GUARANTY TRUST COMPANY OF NEW YORK (hereinafter called the Investor) of

($),

such sum having been paid by the Investor under and pursuant to the terms and conditions of a Participation Agreement dated as of April 1, 1980 (hereinafter called the Participation Agreement), among The Canadian Wheat Board (hereinafter called the Lessee), The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee (hereinafter called the Trustee), J. P. Morgan Interfunding Corp. (hereinafter called the Owner), the Agent and the Investor. By reason of such payment the Investor has an interest in a principal amount equal to such sum in the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement hereinafter mentioned) and in and to (i) the Conditional Sale Agreement dated as of April 1, 1980 (hereinafter called the CSA), between the Trustee and Hawker Siddeley Canada Ltd. (hereinafter called the Builder), (ii) the Agreement and Assignment dated as of April 1, 1980, between the Builder and the Agent, (iii) the right, title and interest of the Agent in and to the Trust Agreement dated as of April 1, 1980, among the Trustee, the Agent and the Owner, and the railroad equipment covered by the CSA and (iv) all cash and other property from time to time held by the Agent under the Participation Agreement, except to the extent that installments of such principal amount shall have been paid.

Under the terms of the CSA, subject to the rights of prepayment contained therein in the event of a Casualty Occurrence or a Termination (as such terms are defined therein), and the Participation Agreement (i) such principal

amount is payable in 40 equal semiannual installments on January 1 and July 1 in each year, commencing July 1, 1981, to and including January 1, 2001, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on each January 1 and July 1, commencing January 1, 1981, until such principal amount shall have become due and payable, at a rate equal to the Floating Prime Rate (as defined in Article 4 of the CSA), and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 2% per annum over the Floating Prime Rate. All payments received by the Agent in accordance with the terms of the Participation Agreement and the CSA shall be disbursed by the Agent in accordance with the terms and conditions of the Participation Agreement.

THE INTERESTS OF THE INVESTOR REFERRED TO IN THIS CERTIFICATE OF INTEREST HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED EXCEPT IN THE MANNER PROVIDED IN PARAGRAPH 6 OF THE PARTICIPATION AGREEMENT AND SUBJECT TO THE TERMS, CONDITIONS AND LIMITATIONS PROVIDED THEREIN.

Dated:

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

by

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____

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

EXHIBIT D
to
Participation Agreement

[CS&M Ref.: 2043-988]

TRUST AGREEMENT

Dated as of April 1, 1980

Among

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent,

J. P. MORGAN INTERFUNDING CORP.

and

THE CONNECTICUT BANK AND TRUST COMPANY

TRUST AGREEMENT

TRUST AGREEMENT dated as of April 1, 1980, among MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, acting as agent under the Participation Agreement hereinafter referred to (the "Agent"), J. P. MORGAN INTERFUNDING CORP., a Delaware corporation (the "Owner"), and THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation (the "Trustee").

W I T N E S S E T H :

ARTICLE I

Authority To Execute the Trust Documents Declaration of Trust

Section 1.01. The Owner hereby authorizes and directs the Trustee (i) to execute and deliver the Conditional Sale Agreement dated as of the date hereof (the "Conditional Sale Agreement") between Hawker Siddeley Canada Ltd. (the "Builder") and the Trustee; (ii) to acknowledge the notice of assignment to the Agent of the interest of the Builder in the Conditional Sale Agreement pursuant to an Agreement and Assignment dated as of the date hereof (the "Assignment") between the Builder and the Agent; (iii) to execute and deliver the Lease of Railroad Equipment dated as of the date hereof between The Canadian Wheat Board (the "Lessee") and the Trustee (the "Lease"); (iv) to execute and deliver the Participation Agreement dated as of the date hereof among the Owner, the Trustee, the Lessee, the Agent and Morgan Guaranty Trust Company of New York (the "Participation Agreement"); (v) to execute and deliver each document referred to in the Participation Agreement, the Conditional Sale Agreement or the Lease to which the Trustee is to be a party (such documents together with the Participation Agreement, the Conditional Sale Agreement, the Assignment, the Lease, any amendments or supplements thereto, and all other documents contemplated hereby and thereby, except this Trust Agreement and any amendments or supplements hereto, being hereinafter sometimes collectively called the "Trust Documents"); (vi) to authorize a repre-

sentative of the Trustee (who may be an employee of the Lessee) to accept delivery of each item of equipment from time to time delivered to the Trustee under and in accordance with the terms of the Conditional Sale Agreement (any and all such equipment from time to time delivered and accepted under the Conditional Sale Agreement being hereinafter called the "Equipment") and to accept delivery, through such representative or directly, of and approve any and all bills of sale and invoices in favor of the Trustee covering any Equipment; (vii) to pay or cause to be paid to the Builder in payment for the purchase price of such Equipment such funds as the Owner may from time to time furnish the Trustee for such purposes; and (viii) subject to the terms of this Trust Agreement, to exercise the rights and perform the duties of Vendee under the Conditional Sale Agreement and the Lessor under the Lease. The Trustee shall not execute and deliver any of the Trust Documents until the form thereof has been approved by an authorized officer or representative of the Owner. The execution of the Participation Agreement by the Owner shall be conclusive evidence of such approval.

Section 1.02. The Trustee hereby declares that it will hold all estate, right, title and interest of the Trustee in and to the Equipment and the Trust Documents, including, without limitation, all amounts of rent, insurance proceeds, indemnity (except such amounts of indemnification required to indemnify the Trustee from losses and expenses incurred by the Trustee in its individual capacity) and other payments of any kind for or with respect to any Equipment (all such estate, right, title and interest being hereinafter sometimes called the "Trust Estate"), upon the trusts hereinafter set forth, first, for the use and benefit of the Agent and, second, for the use and benefit of the Owner; subject, however, to the obligations of the Trustee to make payment to the Builder in accordance with the terms of, and to the extent expressly provided in, Article II hereof.

Section 1.03. Subject to the terms and conditions of the Participation Agreement, the Owner shall make payments to the Trustee in order that the Trustee may make such payments on each Closing Date (as defined in the Conditional Sale Agreement) pursuant to the terms and conditions of the Conditional Sale Agreement and the Participation Agreement to effect the acquisition of the Equipment under the Conditional Sale Agreement. In addition, the Owner unconditionally agrees to make a payment to

the Trustee in order that the Trustee may pay on January 1, 1981, the amount of accrued interest on the Conditional Sale Indebtedness payable on such date pursuant to Article 4 of the Conditional Sale Agreement. The Owner further agrees with the Trustee to take all necessary actions, including, without limitation, payment of funds, to enable the Trustee to discharge, pursuant to the proviso to the third paragraph of Article 12 of the Conditional Sale Agreement, the claims, liens, charges or security interests claimed by any party from, through or under the Owner or its successors or assigns and referred to in said paragraph.

Section 1.04. It is hereby agreed that the Lessee and the Builder are constituted third-party beneficiaries to each of the covenants and agreements of the Owner contained in Sections 1.03 and 5.02 hereof and Articles VI and VII hereof.

ARTICLE II

Receipt, Distribution and Application of Income from the Trust Estate

Section 2.01. (a) In the event that any amounts are received by the Trustee under the Lease while the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) remains outstanding and the Conditional Sale Agreement is in force, such amounts shall be applied as follows:

(i) in satisfaction of the obligations of the Trustee under the Conditional Sale Agreement to the extent they constitute "income and proceeds from the Equipment" as defined therein; and

(ii) the balance, if any, to the Owner; provided, however, that if an event of default shall have occurred and be continuing under the Conditional Sale Agreement, the Trustee shall retain any amounts constituting "income and proceeds from the Equipment" (as defined in the Conditional Sale Agreement) for application pursuant to the foregoing subparagraph (i).

(b) In the event that any amounts are received by the Trustee under the Lease after all the Conditional Sale Indebtedness has been paid in full and the Conditional Sale

Agreement is no longer in effect, such amounts shall be paid over to the Owner not later than the first business day following such receipt.

Section 2.02. The Trustee shall make distributions as follows (unless otherwise directed in writing by the recipient thereof):

(a) to the Agent by wire transfer of immediately available funds to The Annapolis Banking and Trust Company, Main Street and Church Circle, Annapolis, Maryland, for credit to the Agent's Account No. 52076-1, with a request that The Annapolis Banking and Trust Company advise Mrs. K. M. Tollberg, Assistant Vice President, Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, that the funds are "RE: Canadian Wheat Board 4/1/80", or as the Agent may from time to time otherwise direct the Trustee in writing; and

(b) to the Owner by wire transfer of immediately available funds to Morgan Guaranty Trust Company of New York, Account No. 043-49-338, for the account of the Owner, or as the Owner may from time to time otherwise direct the Trustee in writing.

ARTICLE III

Duties of the Trustee

Section 3.01. In the event the Trustee shall have actual knowledge of an Event of Default under the Lease (or any event that with the passage of time or notice or both would constitute an Event of Default) or an event of default under the Conditional Sale Agreement, the Trustee shall give prompt notice in writing thereof to the Agent and the Owner, unless the same shall, to the knowledge of the Trustee, have been remedied before the giving of such notice. Subject to the terms of Section 3.03 hereof, the Trustee shall take such action with respect to such Event of Default or event of default as the Controlling Parties (as hereinafter defined) shall direct by written notice to the Trustee; provided, however, that, subject to the terms of the Lease and the Conditional Sale Agreement and the rights of the Agent thereunder, and subject further to the terms of Section 3.03 hereof, the Trustee shall exercise such rights, powers, privileges and remedies arising

out of subparagraph (A) of the first paragraph of § 10 of the Lease as the Owner shall direct in writing, except that the Trustee shall not, without the prior written consent of the Agent, 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 the first paragraph of § 10 of the Lease. As used in this Agreement, knowledge on the part of the Trustee shall mean actual knowledge of an officer or employee in the Trustee's Corporate Trust Department.

The term "Controlling Parties" shall mean the Agent and the Owner; provided, however, that during any period during which an event of default under the Conditional Sale Agreement shall have occurred and be continuing, the term "Controlling Parties" shall mean the Agent; provided further, however, that after all the Conditional Sale Indebtedness has been paid in full and the Conditional Sale Agreement is no longer in effect, the term "Controlling Parties" shall mean the Owner.

Section 3.02. Subject in all respects to the rights of the Lessee under the Lease, and subject further to the terms of Sections 3.01 and 3.03 hereof, upon the written request at any time and from time to time of the Controlling Parties, the Trustee will take such of the following actions as may be specified in such request: (i) give such notice or direction or exercise such right or power under the Lease and/or the other Trust Documents with respect thereto or to any unit of the Equipment, including, without limitation, the right to transfer, assign or convey the Trustee's interest in the Trust Documents or any unit of the Equipment, as shall be specified in such request; and (ii) after the expiration or earlier termination of the Lease with respect to a unit of Equipment, convey all of the Trustee's right, title and interest in and to such unit of Equipment for such amount, on such terms and to such purchaser or purchasers as shall be designated in such request, or retain, lease or otherwise dispose of such unit of Equipment as shall be designated in such request.

Section 3.03. The Trustee shall not be required to take any action under Section 3.01 or Section 3.02 hereof unless the Trustee shall have been indemnified in

advance by the Controlling Parties, in substance and form satisfactory to the Trustee, against any liability, cost or expense (including counsel fees) which may be incurred in connection with such action. The Trustee shall not be required to take any action under Sectoin 3.01 or Section 3.02 hereof, nor shall any other provision of this Trust Agreement be deemed to impose a duty on the Trustee to take any action, if the Trustee shall reasonably determine, or shall have been advised by counsel, that such action is likely to result in personal liability or a breach of the Trust Documents or is contrary to the law or regulation.

Section 3.04. The Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with any unit of the Equipment or any other part of the Trust Estate, or to otherwise take or refrain from taking any action under, or in connection with, the Trust Documents, except as expressly provided by the terms of this Trust Agreement or as expressly provided in written instructions from the Controlling Parties received pursuant to the terms of Section 3.01 or Section 3.02 hereof (including, but not limited to, requests for information); and no implied duties or obligations shall be read into this Trust Agreement against the Trustee; provided, however, that nothing contained in this Section shall limit in any manner (a) the obligation of the Trustee to perform and observe all of the terms and provisions of the Conditional Sale Agreement imposed upon the Vendee thereunder or (b) the obligations of the Trustee set forth in Article II hereof. The Trustee nevertheless agrees that it will, at its own cost and expense, and in its individual capacity promptly take such action as may be necessary to duly discharge any liens or encumbrances on any part of the Trust Estate which result from claims against the Trustee not related to the ownership of the Equipment or the administration of the Trust Estate.

Section 3.05. The Trustee will not manage, control, use, sell, lease, dispose of or otherwise deal with any unit of the Equipment or any other part of the Trust Estate except (i) as required by the terms of the Trust Documents or (ii) in accordance with the powers granted to, or the authority conferred upon, the Trustee pursuant to this Trust Agreement or (iii) in accordance with written instructions from the Controlling Parties pursuant to Section 3.01 or Section 3.02 hereof.

Section 3.06. In the event that the Trustee receives any written notice in respect of the Trust Documents or the Equipment, the Trustee shall promptly transmit such notice to each of the Agent and the Owner in accordance with the provisions of Section 9.05 hereof unless it shall have determined that such person has received the same.

ARTICLE IV

The Trustee

Section 4.01. The Trustee accepts the trusts hereby created and agrees to perform the same but only upon the terms of this Trust Agreement. The Trustee in receiving and disbursing all moneys actually received by it constituting a part of the Trust Estate upon the terms set forth in this Trust Agreement, agrees to exercise the same degree of care and skill as a prudent man would use in the handling of his own funds. The Trustee shall not be answerable or accountable under any circumstances, except for its own wilful misconduct or gross negligence or for its failure to receive and disburse moneys in accordance with the preceding sentence.

Section 4.02. Except in accordance with written instructions furnished pursuant to Sections 3.01 and 3.02 hereof, and without limitation of the generality of Section 3.04 hereof, the Trustee shall have no duty (i) to see to any recording, filing or depositing of the Trust Documents or any thereof or of this Trust Agreement, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (ii) to see to any insurance on the Equipment or to effect or maintain any such insurance, (iii) to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Trust Estate, (iv) to confirm, investigate, verify or inquire into the failure to receive any reports or financial statements of the Lessee other than to furnish each of the Agent and the Owner with a copy of each such report furnished the Trustee by the Lessee pursuant to § 8 of the Lease or (v) to inspect the Equipment at any time or ascertain or inquire as to the performance or observance of any of the Lessee's covenants under the Lease with respect

to the Equipment. Notwithstanding the foregoing, the Trustee will furnish to each of the Agent and the Owner, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Trustee under the Lease, the Participation Agreement or the Conditional Sale Agreement unless the Trustee shall have determined that such person has received the same.

Section 4.03. THE TRUSTEE MAKES (i) NO REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, MERCHANTABILITY OR FITNESS FOR USE OF THE EQUIPMENT OR AS TO ITS TITLE THERETO, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT WHATSOEVER EXCEPT THAT THE TRUSTEE HEREBY REPRESENTS AND WARRANTS TO THE AGENT AND THE OWNER AND TO THE LESSEE AS A THIRD-PARTY BENEFICIARY THAT (A) ON THE DELIVERY DATE FOR THE EQUIPMENT THE TRUSTEE SHALL HAVE RECEIVED WHATEVER TITLE THERETO SHALL HAVE BEEN CONVEYED TO IT BY THE BUILDER AND (B) ON SUCH DELIVERY DATE THE EQUIPMENT SHALL BE FREE OF LIENS OR ENCUMBRANCES RESULTING FROM CLAIMS AGAINST THE TRUSTEE NOT RELATED TO THE OWNERSHIP OF THE EQUIPMENT OR THE ADMINISTRATION OF THE TRUST ESTATE OR ANY OTHER TRANSACTION PURSUANT TO THIS TRUST AGREEMENT AND (ii) NO REPRESENTATION OR WARRANTY AS TO THE VALIDITY, LEGALITY OR ENFORCEABILITY OF THE TRUST DOCUMENTS, OR AS TO THE CORRECTNESS OF ANY STATEMENT CONTAINED IN ANY THEREOF EXCEPT THAT THE TRUSTEE HEREBY REPRESENTS AND WARRANTS THAT (A) IT POSSESSES FULL POWER AND AUTHORITY UNDER CONNECTICUT AND FEDERAL LAW TO ENTER INTO AND PERFORM THIS AGREEMENT AND THAT THIS AGREEMENT HAS BEEN, AND THE TRUST DOCUMENTS TO WHICH IT IS A PARTY HAVE BEEN (OR AT THE TIME OF EXECUTION AND DELIVERY OF ANY SUCH DOCUMENT BY THE TRUSTEE UNDER THIS TRUST AGREEMENT THAT SUCH DOCUMENT WILL BE), DULY EXECUTED AND DELIVERED BY ONE OF ITS OFFICERS WHO IS OR WILL BE, AS THE CASE MAY BE, DULY AUTHORIZED TO EXECUTE AND DELIVER SUCH DOCUMENTS ON BEHALF OF THE TRUSTEE.

The warranties and representations made by the Trustee in paragraphs (i)(B) and (ii)(A) of this Section 4.03 shall be binding upon the Trustee both as Trustee and in its individual corporate capacity notwithstanding any limitations of liability set forth in Article 21 of the Conditional Sale Agreement.

Section 4.04. No moneys received by the Trustee hereunder need be segregated in any manner except to the

extent required by law; provided, however, that the Trustee shall nevertheless hold all moneys received in its capacity as Trustee as trust funds. So long as the Trustee shall have remitted the moneys as herein provided for on the business day following the date of their receipt, the Trustee shall not be liable for any interest thereon.

Section 4.05. The Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Trustee may accept a copy of a resolution of the Board of Directors of any corporate party, certified by the Secretary, an Assistant Secretary or an Attesting Secretary of said party as duly adopted and in full force and effect (or in lieu thereof a resolution of the executive committee of such corporate party), as conclusive evidence that such resolution has been duly adopted by said Board and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes hereof rely on a certificate, signed by or on behalf of the proper party executing the same, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through other agents or attorneys and may, at the reasonable expense of the Trust Estate, seek advice of counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

Section 4.06. In accepting the trusts hereby created, the Trustee acts solely as trustee hereunder and not in its individual capacity nor as agent for the Agent or the Owner; and all persons, other than the Agent and the Owner, having any claim against the Trustee by reason of the transactions contemplated hereby shall look only to the Trust Estate for payment or satisfaction thereof. The Trustee represents that it will not do or undertake any act that would incur a claim or liability against the Agent or

the Owner except as authorized herein or as instructed pursuant to the terms hereof.

Section 4.07. The Trustee, or any successor thereto, from time to time serving hereunder shall have the absolute right, acting independently, to take any action and to exercise any right, remedy, power or privilege conferred upon the Trustee hereunder; and any action taken by the Trustee from time to time serving hereunder shall be binding upon the Trustee and no person dealing with the Trustee from time to time serving hereunder shall be obligated to confirm the power and authority of the Trustee to act.

Section 4.08. Compensation and Reimbursement. The Trustee shall be entitled to receive from the Owner the compensation agreed to by the Owner for the Trustee's services hereunder and to be reimbursed by the Owner for its reasonable expenses hereunder and under the Trust Documents.

ARTICLE V

Indemnification of Trustee by the Owner

Section 5.01. The Owner hereby agrees, whether or not any of the transactions contemplated hereby shall be consummated, to assume liability for, and does hereby indemnify, protect, save and keep harmless the Trustee and its respective successors, assigns, legal representatives, agents (including, without limitation, the Agent) and servants, from and against any and all liabilities, obligations, losses, damages, penalties, taxes (such term "taxes" or the term "tax" as used in this Section 5.01 shall include, without limitation, all taxes specifically related to this Trust Agreement and the Trust Estate created hereby or the income, rents, avails or proceeds from the Trust Estate excluding, however, any income taxes on fees or other compensation received by the Trustee in its capacity as Trustee), claims, actions, suits, costs, expenses or disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Trustee (whether or not also indemnified against by the Lessee under the Lease or also indemnified against by the Builder or any other person) in any way relating to or arising out of this Trust Agreement

or the Trust Documents, or the performance or enforcement of any of the terms of any thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of the Equipment (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement and any claims for negligence or strict liability in tort), or in any way relating to or arising out of the administration of the Trust Estate or the action or inaction of the Trustee hereunder, except in the case of the handling of funds actually received, failure to act as a prudent man would act in the handling of his own funds, and except in the case of wilful misconduct or gross negligence on the part of the Trustee in the performance of its duties hereunder or as a result of the breach of any representation, if any, made by the Trustee in its individual capacity in this Trust Agreement or the Trust Documents. The indemnities contained in this Section 5.01 shall survive the termination of this Trust Agreement. In addition, if necessary, the Trustee shall be entitled to indemnification from the Trust Estate for any liability, obligation, loss, damage, penalty, tax, claim, action, suit, cost, expense or disbursements indemnified against pursuant to this Section 5.01 to the extent not reimbursed by the Lessee, the Builder, the Owner or any other person, and, to secure the same, the Trustee shall have a lien on the Trust Estate prior to any interest therein of the Owner but subject and subordinate to the lien thereon and security interest therein of the Agent created by the Conditional Sale Agreement.

Section 5.02. The Owner agrees for the benefit of the Trustee and the Agent to pay or discharge any and all claims, liens, charges or security interests claimed by any party from, through or under the Owner or its successors or assigns not arising out of the transactions contemplated hereby or by the Trust Documents (but including tax liens arising out of the receipt of the income and proceeds from the Trust Estate), equal or superior to the Agent's security interest therein, which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, or the Owner's interest in the Lease and the payments to be made thereunder, but the Owner 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 or administrative

proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Agent, adversely affect the security interest of the Agent in or to the Equipment or otherwise under the Conditional Sale Agreement or this Trust Agreement or the Trustee's rights under the Lease. The Owner shall be liable in its individual capacity for its obligations under this Section 5.02 notwithstanding any limitation of liabilities set forth in Section 21 of the Conditional Sale Agreement.

ARTICLE VI

Transfer of the Owner's Interests

Section 6.01. The Owner shall not assign, convey or otherwise transfer any of its right, title or interest in and to this Trust Agreement or the Trust Estate, except that all, but not less than all, of the right, title and interest of the Owner in and to this Trust Agreement or the Trust Estate may be assigned, conveyed or transferred by the Owner to (a) any finance company, bank or trust company organized under the laws of the United States or any state and having a combined capital and surplus of at least $50,000,000 or (b) any corporation which is an affiliate or subsidiary, wholly owned or otherwise, of the Owner (such institution or corporation to whom such interest in the Trust Estate may be assigned, conveyed or transferred being hereinafter referred to as the "Transferee"). In the event of any such assignment, conveyance or transfer, the Transferee shall become a party to this Trust Agreement and will agree to be bound by all the terms of and will undertake all of the obligations of the Owner contained in this Trust Agreement in such manner as is satisfactory to the Trustee and the Agent; and if the Transferee shall be of the type described in clause (b) above, the Owner shall remain responsible and liable for all obligations of the Transferee under this Trust Agreement. No such assignment, conveyance or transfer shall violate any provision of law or regulation or create a relationship which would be in violation thereof. The Trustee shall not be on notice of or otherwise bound by any such assignment, conveyance or transfer unless and until it shall have received an executed counterpart of the instrument of such assignment, conveyance or transfer. Upon any such disposition by the Owner to a Transferee as above provided, such Transferee shall be deemed the "Owner" for

all purposes hereof, and shall be deemed to have made all the payments previously made by its transferor and to have acquired the entire interest in the Trust Estate as theretofore held by its transferor; and each reference herein to the Owner shall thereafter be deemed to include such Transferee.

Section 6.02. If the Owner shall propose to transfer its interests hereunder pursuant to Section 6.01 hereof, it shall give written notice to the Trustee and the Agent at least 30 days prior to such proposed transfer, specifying the name and address of the proposed Transferee, and enclosing the agreement or agreements referred to in said Section 6.01.

ARTICLE VII

Successor Trustees; Co-Trustees or Separate Trustees

Section 7.01. (a) The Trustee or any successor thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Agent, the Owner and the Lessee, such resignation to be effective on the date specified in such notice; provided, however, that if on the effective date of such resignation all transfers of title to the assets and properties of the Trust Estate shall not have been completed, then such Trustee or successor thereto shall fully cooperate in effectuating such transfers. Should the Trustee become incapable of acting as such or be adjudged a bankrupt or insolvent, or should a receiver of the Trustee or of the property of the Trustee be appointed, or should any public officer take charge of or control the Trustee or the property or affairs of the Trustee for the purposes of rehabilitation, conservation or liquidation, the Trustee shall be deemed to have resigned immediately prior to such occurrence. In addition, the Controlling Parties may at any time remove the Trustee without cause by an instrument in writing delivered to the Trustee. In the case of the resignation or removal of any Trustee, the Controlling Parties shall, prior to the date specified in such notice or prior to such removal, or within 30 days of learning of the occurrence of an event that results in the Trustee's being deemed to have resigned, appoint a successor Trustee having the qualifications set forth in paragraph (d) of this Section 7.01 by an instru-

ment signed by the Controlling Parties. If the Controlling Parties shall not have appointed a successor Trustee within 30 days after such resignation or removal, or within 30 days of learning of such an occurrence, the Trustee, if any, or the Agent may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed by the Controlling Parties as above provided. Any successor Trustee so appointed by such court shall immediately and without further act be superseded by any successor Trustee appointed by the Controlling Parties within one year from the date of the appointment by such court. Any banking institution or trust company becoming a successor Trustee hereunder shall be deemed the "Trustee" for all purposes hereof, and each reference herein to the Trustee shall thereafter be deemed a reference to such banking institution or trust company.

(b) Any successor Trustee, whether appointed by a court or by the Controlling Parties, shall (i) execute and deliver to the predecessor Trustee an instrument accepting such appointment, and (ii) shall serve on or send by registered mail to the Receiver General of Canada or a paying officer, as defined in the Financial Administration Act (Canada), a notice of the assignment of the predecessor Trustee's rights under the Lease to the successor Trustee, as required by Section 82 of such Act; and thereupon such successor Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Trustee in the trusts hereunder with like effect as if originally named as Trustee herein; but nevertheless upon the written request of such successor Trustee, such predecessor Trustee shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of such predecessor Trustee, and such predecessor Trustee shall duly assign, transfer, deliver and pay over to such successor Trustee any property or moneys then held by such predecessor Trustee upon the trusts herein expressed.

(c) Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation to which substantially all the business of the Trustee may be transferred, shall, subject to the terms of this Section 7.01, be the Trustee under this Trust Agreement without any further act.

(d) Any successor Trustee, however appointed, shall be a bank or trust company having a combined capital

and surplus of at least $50,000,000, if there is such an institution willing and able and legally qualified to act as Trustee on reasonable and customary terms.

Section 7.02. If at any time or times it shall be necessary or prudent in order to conform to any law of any jurisdiction in which the Equipment or any unit thereof is located, or the Trustee being advised by counsel shall determine that it is so necessary or prudent in the interest of the Agent, the Owner or the Trustee, the Trustee, the Agent and the Owner shall execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons approved by the Trustee, the Agent and the Owner, either to act as cotrustee or cotrustees, jointly with the Trustee, or to act as separate trustee or trustees hereunder (any such cotrustee or separate trustee being herein sometimes referred to as an additional trustee). In the event the Agent or the Owner shall have not joined in the execution of such instruments and agreements within 10 days after the receipt of a written request from the Trustee so to do, or in case an event of default under any Trust Document shall occur and be continuing, the Trustee may act under the foregoing provisions of this Section 7.02 without the concurrence of the Agent or the Owner, as the case may be, and each of the Agent and the Owner hereby appoints the Trustee its agent and attorney to act for it under the foregoing provisions of this Section 7.02 in either of such contingencies.

Every additional trustee hereunder shall, to the extent permitted by law, be appointed and act, and the Trustee and its successors shall act, subject to the following provisions and conditions:

(1) all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody, control and management of moneys, Equipment or Trust Documents shall be exercised solely by the corporation designated as Trustee in the first paragraph of this Trust Agreement, or its successors as Trustee hereunder;

(2) all other rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the corporation designated as Trustee in the first

paragraph of this Trust Agreement or its successor as Trustee, and such additional trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such additional trustee or trustees;

(3) no power given to, or which it is provided hereby may be exercised by, any such additional trustee or trustees shall be exercised by such additional trustee or trustees, except jointly with, or with the consent in writing of, the corporation designated as Trustee in this Trust Agreement or its successor as Trustee, anything herein contained to the contrary notwithstanding;

(4) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(5) the Controlling Parties, at any time, by an instrument in writing may remove any such additional trustee. In the event that the Controlling Parties shall not have joined in the execution of any such instrument within 10 days after the receipt of a written request from the Trustee so to do, the Trustee shall have the power to remove any such additional trustee without the concurrence of the Controlling Parties; and each of the Agent and the Owner hereby appoints the Trustee its agent and attorney to act for it in such connection in such contingency.

ARTICLE VIII

Supplements and Amendments to This Trust Agreement and Other Documents

Section 8.01. At any time and from time to time, upon the written request of the Agent and the Owner, (i) the Trustee, the Agent and the Owner shall execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of, this Trust Agreement as specified in such request, (ii) the Trustee

shall enter into or consent to such written amendment of or supplement to the Trust Documents as the Lessee, the Builder, the Agent, the investor for whom the Agent is acting as agent, or the Owner, as the case may be, may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Documents as may be specified in such request.

Section 8.02. If in the reasonable opinion of the Trustee any document required to be executed pursuant to the terms of Section 8.01 hereof affects any right or duty or liability of, or immunity or indemnity in favor of, the Trustee under this Trust Agreement or the Trust Documents, the Trustee may in its discretion decline to execute such document.

Section 8.03. Promptly after the execution by the Trustee of any document entered into pursuant to Section 8.01 hereof, the Trustee shall mail a conformed copy thereof to the Agent and the Owner, but the failure of the Trustee to mail such conformed copy shall not impair or affect the validity of such document.

ARTICLE IX

Miscellaneous

Section 9.01. This Trust Agreement and the trusts created hereby in any event shall terminate and this Trust Agreement shall be of no further force or effect upon the earlier of (a) the sale, transfer or other final disposition by the Trustee of all property, including all right, title and interest of the Trustee in and to the Trust Documents and the Equipment at any time part of the Trust Estate and the final distribution by the Trustee of all money, other property and proceeds constituting the Trust Estate in accordance with the terms hereof and (b) 21 years less one day after the death of the survivor of the issue, living on the date hereof, of the present members of the Boards of Directors of the Trustee; otherwise this Trust Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

Section 9.02. Any assignment, sale, transfer or other conveyance by the Trustee of the interest of the

Trustee in the Trust Documents or any unit of Equipment made pursuant to the terms of this Trust Agreement or the Trust Documents shall bind the Agent and the Owner and shall be effective to transfer or convey all right, title and interest of the Trustee, and any interest of the Agent and the Owner arising from, through or under the Trustee, in and to the Trust Documents or such unit of Equipment. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such assignment, sale, transfer or conveyance or as to the application of any sale or other proceeds with respect thereto by the Trustee.

Section 9.03. Neither the Agent nor the Owner shall have legal title to the Trust Estate and no transfer, by operation of law or otherwise, of the right, title and interest of the Agent or the Owner in and to the Trust Estate hereunder shall operate to terminate this Agreement or the trusts or entitle any successor or transferee of the Agent or the Owner to an accounting or to the transfer to it of legal title to any part of the Trust Estate, except in accordance with the provisions of Section 9.01 hereof.

Section 9.04. Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing, mailed by certified mail, postage prepaid, (i) if to the Trustee, addressed to the Trustee at One Constitution Plaza, Hartford, Connecticut 06115, Attention of Corporate Trust Department, or to such other address as it shall specify in writing, (ii) if to the Agent, addressed to the Agent at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or at such other address as it shall specify in writing, and (iii) if to the Owner, addressed to the Owner at 522 Fifth Avenue, New York, New York 10036, Attention of Leasing Officer, or to such other address as it shall specify in writing. Copies of all notices received by the Trustee in respect of the Trust Documents shall be forwarded to each of the Agent and the Owner upon receipt unless the Trustee shall have determined that such person has received the same. Whenever any notice in writing is required to be given by the Trustee to the Agent or the Owner, such notice shall be deemed given and such requirement satisfied if such notice is mailed by certified mail, postage prepaid, addressed to such person at the address last known to the Trustee as the address of such person.

Section 9.05. Any provision of this Trust

Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.06. No term or provision of this Trust Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other person against whom enforcement of the change, waiver, discharge or termination is sought; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 9.07. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 9.08. The Agent may assign all or any of its rights hereunder, including, without limitation, the right to receive distributions under Article II hereof. Any such assignee shall, to the extent of such assignment, enjoy the rights and privileges and be subject to the obligations of the Agent hereunder.

Section 9.09. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Trustee, the Agent, the investor for whom the Agent is acting as agent, and the Owner and their respective successors and assigns, subject, in the case of the Trustee and the Owner, to the provisions of Articles VI and VII, respectively. Any request, notice, direction, consent, waiver or other instrument or action by the Agent or the Owner shall bind its successors and assigns.

Section 9.10. The headings of the various articles herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 9.11. This Trust Agreement shall in all respects be governed by, and construed in accordance with,

the laws of the State of Connecticut, including all matters of construction, validity and performance.

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

THE CONNECTICUT BANK AND TRUST COMPANY,

by

Donald Smith
Authorized Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

R. E. Schreiber
Assistant Vice President

Attest:

F. H. Gilbert
Corporate Trust Officer

J. P. MORGAN INTERFUNDING CORP.,

by

C. J. Mantale
Cathleen J. Mantale
Manager

EXHIBIT B
to Supplemental Participation
Agreement and Amendment dated
as of March 1, 1982

[CS&M Ref: 2044-076]

AMENDMENT AGREEMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

HAWKER SIDDELEY CANADA INC.,
Builder

Dated as of October 1, 1980

[Amending Participation Agreement, Conditional Sale Agreement and Lease of Railroad Equipment, each dated as of April 1, 1980]

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December 9, 1980, at 1:35 p.m., recordation number 11886-C.

AMENDMENT AGREEMENT dated as of October 1, 1980, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee"), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and HAWKER SIDDELEY CANADA INC. (the "Builder").

WHEREAS the parties hereto (other than the Builder) have entered into a Participation Agreement dated as of April 1, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of certain railroad equipment (the "Equipment");

WHEREAS the Trustee and the Builder (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980 (the "Conditional Sale Agreement"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder (under its former name, Hawker Siddeley Canada Ltd.) and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980 (the "Assignment"), providing for the assignment of the security interest of the Builder and the property in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Conditional Sale Agreement, the Assignment and the Lease were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on June 10, 1980, at 12:15 p.m. and were assigned recordation numbers 11886, 11886-A, and 11886-B, respectively, and were filed and registered in

certain provinces of Canada;

WHEREAS pursuant to the Participation Agreement, the Owner has the option to substitute additional financial institutions to own a portion of the Equipment, and pursuant to such option, the Owner has elected to substitute Mellon National Leasing and Management Corporation ("Mellon") as owner of a portion of the Equipment not yet delivered;

WHEREAS the parties hereto desire to amend the Participation Agreement, the Conditional Sale Agreement, the Lease and the Assignment in order to permit the substitution of Mellon as owner of a portion of the Equipment not yet delivered, and to make certain other changes;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) The reference to "$50,000,000" in the first paragraph of Paragraph 1 is hereby changed to "$40,000,000".

(b) The reference to "$37,500,000" in the first paragraph of Paragraph 2 is hereby changed to "$30,000,000".

(c) The second paragraph of Paragraph 2 is hereby amended by adding the following sentence at the end thereof:

"Such amendments may include, among other things, changes in the interest rate and the schedule of principal payments applicable in respect of the CSA Indebtedness."

(d) The third paragraph of Paragraph 2 is hereby amended by adding the following sentence at the end thereof:

"As soon as practicable after the last Closing Date, the Agent will deliver to the Investor a schedule of payments reflecting the dates and amounts of principal payments to be made in respect of such certificate."

(e) The second paragraph of Paragraph 10 is hereby amended by adding the following sentence at the end thereof:

"The Agent will furnish to the Investor a revised schedule or schedules of payments showing the reduction of the Investor's interest in the installments of the aggregate CSA Indebtedness remaining unpaid."

(f) Clause (iii) of the first sentence of Paragraph 13 is hereby amended and restated in its entirety to read as follows:

"(iii) the fees and expenses of Salomon Brothers and Wood Gundy Incorporated in connection with the arranging of permanent financing (collectively the 'Placement Fees') to replace the interim financing provided by the Investor under this Agreement and under the Participation Agreement dated as of October 1, 1980 (the 'Mellon Agreement'), among the Lessee, the Agent, Mellon National Leasing and Management Corporation, The Connecticut Bank and Trust Company, as trustee, and the Investor, but excluding any Placement Fees exceeding in the aggregate 3/8 of 1% of the principal amount of such permanent financing (any such excess being hereinafter called the 'Excess Placement Fees')".

(g) The third and fourth sentences of Paragraph 13 are hereby amended and restated in their entirety to read as follows:

"The Owner will also pay or cause to be paid (x) any Excess Placement Fees payable in respect of the arranging of the permanent financing which replaces the interim financing provided by the Investor under this Agreement and (y) a commitment fee (the 'Commitment Fee') to the Investor (computed on the basis of a 360-day year of 12 30-day months) on (A) the average daily unused portion of the Investor's commitment to make deposits hereunder from the date of execution of this Agreement by the Investor to the Cut-Off Date (as defined in the CSA) at the rate of 3/8 of 1% per annum (computed on the basis of the actual days elapsed in a year of 365 or 366 days, as the case may be), payable on the Cut-Off Date, and (B) the average daily unused portion of the Investor's commitment to make deposits under the Mellon Agreement from the date on which the conditions contained in Paragraphs 7 and 8 of the Mellon Agreement shall have been met or waived to the Cut-Off Date (as defined in the CSA referred to in the Mellon Agreement) at the

rate of 3/8 of 1% per annum (computed on the basis of the actual days elapsed in a year of 365 or 366 days, as the case may be), payable on such Cut-Off Date, but any such payment pursuant to the foregoing clause (x) or (y) will (to the extent not reimbursed by Mellon pursuant to the Mellon Agreement) result in an adjustment of the rentals payable by the Lessee under the Lease to preserve the Owner's Net Economic Return (as defined in the Lease) as provided in the Lease. In the event that the aggregate Transaction Expenses exceed .6% of the sum of (A) the total Purchase Price of all the Equipment delivered and accepted under the CSA and (B) the total Purchase Price (as defined in the Mellon Agreement) of all the Equipment (as defined in the Mellon Agreement) delivered and accepted under the CSA referred to in the Mellon Agreement (any such excess being hereinafter called the 'Excess Transaction Expenses'), the Owner will pay or cause to be paid the Excess Transaction Expenses but any such payment will (to the extent not reimbursed by Mellon pursuant to the Mellon Agreement) result in an adjustment of the rentals payable by the Lessee under the Lease to preserve Net Economic Return as provided in the Lease."

(h) The reference to "November 15, 1980" in Paragraph 19(b) (as heretofore amended by an amendment dated as of April 1, 1980) is hereby changed to "June 30, 1981", and the words "on any date after September 30, 1980, and" are hereby deleted from such Paragraph.

(i) Exhibit C to the Participation Agreement and any certificates of interest heretofore issued in the form of such Exhibit C are hereby amended by deleting the word "equal" from clause (i) of the first sentence of the second paragraph thereof.

2. The parties to the Conditional Sale Agreement, and the Agent, as assignee of the Builder, agree that the Conditional Sale Agreement shall be amended as follows:

(a) Article 4 is hereby amended by adding the following sentences at the end of the third paragraph thereof:

"The installment of principal payable on each Payment Date shall be calculated so that the amount thereof shall be substantially in proportion to the amount of principal set forth in Schedule I hereto for such Payment Date, and the aggregate of such installments of principal will completely amortize the Conditional Sale Indebtedness. The Vendee will furnish or cause to be furnished to the Vendor and

the Lessee promptly after the last Closing Date a schedule, in such number of counterparts as shall be requested by the Vendor, showing the amount of principal payable on each Payment Date."

(b) Article 7 is hereby amended by adding the following sentence at the end of the second paragraph thereof:

"The Vendee will promptly furnish or cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal thereafter to be made, in such number of counterparts as the Vendor may request."

(c) The schedule attached hereto as Exhibit A is hereby added to the Conditional Sale Agreement as Schedule I thereto.

(d) Item 2 of Annex A to the Conditional Sale Agreement is hereby amended by changing the word "eight" in the first sentence thereof to "six".

(e) Annex B to the Conditional Sale Agreement is hereby amended and restated in its entirety as shown in Exhibit B hereto.

3. The parties to the Lease agree that it shall be amended as follows:

(a) Clause (a) of the third paragraph of § 3 is hereby amended and restated in its entirety to read as follows:

"(a) the Owner shall be required under Paragraph 13 of the Participation Agreement to pay any Excess Transaction Expenses (as therein defined),".

(b) The third paragraph of § 3 is hereby amended by adding the following proviso at the end thereof:

"; <u>provided</u>, <u>however</u>, that (i) if the Owner shall make any payment referred to in the foregoing clause (a) or (b), the increase in the rentals payable hereunder and the Casualty Values and Termination Values set forth in Schedules B and C hereto required by reason of such payment pursuant

to the foregoing provisions shall be based on the amount of such payment net of any reimbursement to the Owner by Mellon National Leasing and Management Corporation ("Mellon") pursuant to the Participation Agreement dated as of October 1, 1980, among the Lessee, Mercantile-Safe Deposit and Trust Company, as agent, Mellon, The Connecticut Bank and Trust Company, as trustee, and Morgan Guaranty Trust Company of New York; and (ii) if any units of railroad equipment shall be delivered and accepted under the Lease of Railroad Equipment dated as of October 1, 1980 (the 'Other Lease'), between the Lessee and The Connecticut Bank and Trust Company, as trustee, such units shall be deemed to be 'Units' for the purpose of the foregoing clause (c), and any increase in the rentals payable hereunder and the Casualty Values and Termination Values set forth in Schedules B and C hereto required pursuant to such clause (c) will be made on the same basis as if such units had been delivered and accepted as 'Units' under this Lease".

(c) The reference to "$5,000,000" in the last paragraph of § 3 is hereby changed to "$4,000,000".

(d) The second proviso in § 6(b) is hereby amended and restated in its entirety to read as follows:

"provided further, however, that if an indemnification payment is made pursuant to this § 6 (other than any payment of or indemnity for Canadian withholding taxes), the Lessee shall be entitled to offsetting tax benefits realized by the Owner which correspond to those described in the second, third and fourth sentences of § 15(c)".

(e) The reference to "April 30" in the first sentence of § 8 is hereby changed to "May 31".

(f) Schedule A to the Lease is hereby amended and restated in its entirety as shown in Exhibit C hereto.

4. The terms "Participation Agreement", "Conditional Sale Agreement" and "Lease", as used in the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement, shall be deemed to

refer to the Participation Agreement, the Conditional Sale Agreement and the Lease, respectively, as amended by this Agreement.

5. The Lessee will promptly cause this Agreement to be filed and recorded in accordance with the provisions of Article 18 of the Conditional Sale Agreement and § 16 of the Lease.

6. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

7. Without limiting the provisions of the Trust Agreement, the Owner agrees to pay or cause to be paid all of the costs and expenses incurred by the Lessee (other than costs (including counsel fees) incurred by the Lessee which are incidental to its review of documents), the Trustee and the Agent in connection with the preparation, execution, delivery, filing, recording and registration of this Agreement, including the reasonable fees and disbursements of (1) Messrs. Cravath, Swaine & Moore, special counsel for the Agent and the Investor, (2) Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor and the Owner, and (3) Messrs. Day, Berry & Howard, counsel for the Trustee. In addition, the Owner agrees to pay or cause to be paid all fees, costs and expenses described as payable by it in Paragraph 13 of the Participation Agreement dated as of October 1, 1980 (the "Mellon Agreement"), among the Lessee, the Agent, Mellon, The Connecticut Bank and Trust Company ("CBT"), as Trustee, and the Investor. Notwithstanding anything herein to the contrary, the Owner agrees to pay CBT the compensation agreed to by the Owner for CBT's services under the Trust Agreement dated as of October 1, 1980, among the Agent, Mellon and CBT and to reimburse CBT for its reasonable expenses thereunder and under the Trust Documents, as defined therein.

8. The amendments herein provided for shall become effective upon the satisfaction or waiver of the conditions contained in Paragraphs 7 and 8 of the Mellon Agreement; provided, however, that the provisions of Paragraph 7 hereof shall be effective immediately upon the execution of this Agreement by the Owner.

9. Unless otherwise agreed between the Builder and the Owner, the Builder agrees that before making any

further deliveries under the Conditional Sale Agreement it will first deliver all the units of railroad equipment required to be delivered under the Conditional Sale Agreement dated as of October 1, 1980, between CBT, as Trustee, and the Builder.

10. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

by W. E. Jarvis

by J. L. Leibfried

[Seal]

Attest:

Maureen Hunter
Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by R. E. Schreiber
Assistant Vice President

[Corporate Seal]

Attest:

A. Palmer
Assistant Corporate Trust Officer

J. P. MORGAN INTERFUNDING CORP.,

by Cathleen J. Matanle
Vice President

[Corporate Seal]

Attest:

Barbara S. Stokes

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by

Clark M. Whitcomb
Authorized Officer

[Corporate Seal]

Attest:

Donald E. Smith
Authorized Officer

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

John G. Dickerson
Assistant Vice President

[Corporate Seal]

Attest:

Margaret M. Morgan
Assistant Secretary

HAWKER SIDDELEY CANADA INC.,

by

Ivan Bull
Vice President

[Corporate Seal]

Attest:

Colin A. Haines
Secretary

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this 28th day of ~~October~~ November 1980, before me personally appeared W. E. Jarvis and J. L. Leibfried , to me personally known, who, being by me duly sworn, says that they are the Chief Commissioner and Commissioner , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Anders Bruun
Notary Public

[Notarial Seal]

My Commission expires March 31, 1981

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

On this 19th day of ~~October~~ November 1980, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Patricia A. Shilow
Notary Public

[Notarial Seal]

My Commission expires 7-1-82

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

On this 20th day of ~~October~~ November 1980, before me personally appeared Cathleen J. Matanle, to me personally known, who, being by me duly sworn, says that she is an Vice President of J. P. MORGAN INTERFUNDING CORP., 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.

Veronica C. Miller
Notary Public
Veronica C. Miller
Notary Public, State of New York
No. 30-4501960
Qualified in Nassau County
Certificate filed in New York County

[Notarial Seal]

My Commission expires 3-30-81

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

On this 19th day of ~~October~~ November 1980, before me personally appeared Clark M. Whitcomb, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Carol Lee Shattuck
Notary Public

[Notarial Seal]

My Commission expires March 31, 1985

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

On this 24th day of ~~October~~ November 1980, before me personally appeared John G. Dickerson, to me personally known, who, being by me duly sworn, says that he is an Asst. Vice President of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 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.

June V. Sanna
Notary Public

[Notarial Seal]

June V. Sanna
Notary Public, State of New York
No. 43-8760285
Qualified in Richmond County
Certificate filed in New York County

My Commission expires March 30, 1982

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

On this 20th day of ~~October~~ November 1980, before me personally appeared Ivan Bull, to me personally known, who, being by me duly sworn, says that he is Vice President of HAWKER SIDDELEY CANADA INC., 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.

Eric Ross Elvidge
Notary Public

[Notarial Seal]

My Commission expires

Exhibit A
to
Amendment Agreement

SCHEDULE I
TO
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of Conditional Sale Indebtedness

Payment Date	Principal Payment	Ending Principal
7/1/81	$ 6,772.99	$993,227.01
1/1/82	7,213.24	986,013.77
7/1/82	7,682.10	978,331.67
1/1/83	8,181.44	970,150.24
7/1/83	8,713.23	961,437.01
1/1/84	9,279.59	952,157.42
7/1/84	9,882.76	942,274.66
1/1/85	10,525.14	931,749.52
7/1/85	11,209.28	920,540.24
1/1/86	11,937.88	908,602.36
7/1/86	12,713.84	895,888.52
1/1/87	13,540.24	882,348.28
7/1/87	14,420.36	867,927.92
1/1/88	15,357.68	852,570.25
7/1/88	16,355.93	836,214.32
1/1/89	17,419.06	818,795.25
7/1/89	18,551.30	800,243.95
1/1/90	19,757.14	780,486.81
7/1/90	21,041.35	759,445.46
1/1/91	22,409.04	737,036.42
7/1/91	23,865.63	713,170.80
1/1/92	16,311.57	696,859.23
7/1/92	26,477.14	670,382.09
1/1/93	13,953.52	656,428.56
7/1/93	24,691.94	631,736.62
1/1/94	13,596.16	618,140.46
7/1/94	33,580.08	584,560.39
1/1/95	6,744.79	577,815.60
7/1/95	26,528.53	551,287.07
1/1/96	14,045.10	537,241.97
7/1/96	24,429.88	512,812.09
1/1/97	16,481.57	496,330.52
7/1/97	23,910.38	472,420.14
1/1/98	47,754.39	424,665.75
7/1/98	60,119.21	364,546.53
1/1/99	64,026.96	300,519.57
7/1/99	68,188.71	232,330.86
1/1/00	72,620.98	159,709.88
7/1/00	77,341.34	82,368.53
1/1/01	82,368.53	0.00
	$1,000,000.00	

Exhibit B
to
Amendment Agreement

ANNEX B

TO

CONDITIONAL SALE AGREEMENT

Type	Builder's Specifications	Builder's Plant	Quantity	Road Numbers (Both Inclusive)	Estimated Unit Base Price	Estimated Total Base Price	Estimated Time and Place of Delivery
Covered hopper car	LO-139 dated 11/19/79, revised 4/21/80; Hawker Siddeley Canada Ltd. General Arrangement Drawing No. A152H87 dated 2/29/80, Rev. B dated 4/7/80	Trenton, Nova Scotia	800	CPWX 604302 through CPWX 605101	Can. $52,500	Can. $42,000,000	June-Dec., 1980, F.O.R. at Builder's plant in Trenton, Nova Scotia, or F.O.R. at one of the CNR storage locations specified in the Bailment Agreement, as designated by the Builder

Exhibit C
to
Amendment Agreement

SCHEDULE A TO LEASE

Type	Quantity	Lessee's Road Numbers (Both Inclusive)
Covered hopper cars	800	CPWX 604302 through CPWX 605101

EXHIBIT C
to Supplemental Participation
Agreement and Amendment dated
as of March 1, 1982

[CS&M Ref: 2043-988]

AMENDMENT AGREEMENT

Among

THE CANADIAN WHEAT BOARD,
Lessee,

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
Agent,

J. P. MORGAN INTERFUNDING CORP.,
Owner,

THE CONNECTICUT BANK AND TRUST COMPANY,
Trustee,

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Investor,

and

HAWKER SIDDELEY CANADA INC.,
Builder

Dated as of December 29, 1980

[Amending Participation Agreement, Conditional Sale Agreement and Lease of Railroad Equipment, each dated as of April 1, 1980, as previously amended]

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on January 30, 1981, at 12:00 p.m., recordation number 11886-D.

AMENDMENT AGREEMENT dated as of December 29, 1980, among THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada (the "Lessee"), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (the "Agent"), J. P. MORGAN INTERFUNDING CORP. (the "Owner"), THE CONNECTICUT BANK AND TRUST COMPANY, acting not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of April 1, 1980, with the Agent and the Owner (the "Trust Agreement"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK (the "Investor"), and HAWKER SIDDELEY CANADA INC. (the "Builder").

WHEREAS the parties hereto (other than the Builder) have entered into a Participation Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980 (the "Participation Agreement"), providing for the leveraged lease financing of certain railroad equipment (the "Equipment");

WHEREAS the Trustee and the Builder (under its former name, Hawker Siddeley Canada Ltd.) have entered into a Conditional Sale Agreement dated as of April 1, 1980, as previously amended as of October 1, 1980 (the "Conditional Sale Agreement"), providing for the purchase by the Trustee from the Builder of the Equipment and the retention of the property and a security interest in the Equipment until the Trustee fulfills its obligations thereunder;

WHEREAS the Builder (under its former name, Hawker Siddeley Canada Ltd.) and the Agent have entered into an Agreement and Assignment dated as of April 1, 1980, as previously amended as of October 1, 1980 (the "Assignment"), providing for the assignment of the security interest of the Builder and the property in the Equipment to the Agent, acting on behalf of the Investor;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of April 1, 1980, as previously amended as of October 1, 1980 (the "Lease"), covering the Equipment;

WHEREAS the Conditional Sale Agreement, the Assignment and the Lease were filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on June 10, 1980, at 12:15 p.m. and were assigned recordation numbers 11886, 11886-A, and 11886-B, respectively, and were filed and regis-

tered in certain provinces of Canada;

WHEREAS the Amendment Agreement dated as of October 1, 1980, to the Participation Agreement, Conditional Sale Agreement and Lease was filed with the Interstate Commerce Commission pursuant to 49 USC § 11303 on December 9, 1980, at 1:35 p.m. and was assigned recordation number 11886-C, and was filed and registered in certain provinces of Canada;

WHEREAS a portion of the Equipment, as defined in the Conditional Sale Agreement will not be delivered until after January 1, 1981;

WHEREAS the parties hereto desire to amend the Participation Agreement, the Conditional Sale Agreement, the Lease and the Assignment in order to extend the Cutoff Date, provide for a different lease term for Equipment delivered after January 1, 1981, and to make certain other changes;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. The parties to the Participation Agreement agree that it shall be amended as follows:

(a) The phrase beginning with the word "commencing" and ending with the date "January 1, 2001," in clause (i) of the second paragraph of Exhibit C is hereby deleted and the following is substituted therefor to read in its entirety:

"(a) in the case of Group A Equipment (as defined in the Conditional Sale Agreement), commencing July 1, 1981, to and including January 1, 2001, and (b) in the case of Group B Equipment (as defined in the Conditional Sale Agreement), commencing January 1, 1982, to and including July 1, 2001."

(b) The words "commencing January 1, 1981" contained in clause (ii) of the second paragraph of Exhibit C are hereby deleted and the words "commencing (a) in the case of the Group A Equipment, January 1, 1981, and (b) in the case of the Group B Equipment, July 1, 1981," substituted therefor.

2. The parties to the Conditional Sale Agreement,

and the Agent, as assignee of the Builder, agree that the Conditional Sale Agreement is hereby amended as follows:

(a) The words "The 'Equipment'" in the first introductory paragraph are hereby deleted and the following substituted therefor:

"all such equipment delivered and accepted on or prior to December 31, 1980, called the 'Group A Equipment' and all such equipment delivered thereafter called the 'Group B Equipment'; the Group A Equipment and the Group B Equipment called collectively the 'Equipment'."

(b) The date "December 31, 1980" in the fourth and fifth lines of the second paragraph of Article 3 is hereby deleted and the date "June 30, 1981," substituted therefor.

(c) The date "December 31, 1980" appearing in the sixth line of the second paragraph of Article 4 is hereby deleted and the date "June 30, 1981," substituted therefor.

(d) The words "(i) in the case of the Purchase Price of Group A Equipment" are hereby added immediately before the date "July 1, 1981," in the fifth line of the fourth paragraph of Article 4 and the words "and (ii) in the case of the Purchase Price of Group B Equipment, commencing January 1, 1982, to and including July 1, 2001 (or, if any such date is not a business day, on the next succeeding business day)" immediately after the words "business day)," in the seventh line of the fourth paragraph of Article 4.

(e) The dates "June-Dec. 1980," in the eighth column of Annex B are hereby deleted and the dates "June 1980-June 1981," substituted therefor.

(f) Schedule I to the Conditional Sale Agreement is hereby deleted in its entirety and Exhibit A hereto substituted therefor.

3. The parties to the Lease agree that it shall be amended as follows:

(a) The words "(the 'Units')" in the third line of the second introductory paragraph are hereby deleted and

the following substituted therefor:

> "(such units delivered and accepted on or prior to December 31, 1980, called the 'Group A Units' and such units delivered thereafter called the 'Group B Units'; the Group A Units and the Group B Units called, collectively, the 'Units')."

(b) The entire portion of the first sentence of the first paragraph of § 3 following the words "in each year, commencing" is hereby deleted and the following substituted therefor, to read in its entirety:

> "(i) in the case of each Group A Unit, July 1, 1981, and, (ii) in the case of each Group B Unit, January 1, 1982 (each of such dates being hereinafter called a 'Rental Payment Date')."

(c) The phrase "in the case of Group A Units and January 1, 1982, in the case of Group B Units" shall be inserted immediately following the date "January 1, 1981," in clause (e) of the third paragraph of § 3.

(d) The words "applicable to each Group A Unit and each of such 50 dates applicable to each Group B Unit" immediately after the words "50 dates" in the parentheses in the fifth line of § 3.

(e) The phrase "and for the Group B Units, any additional or different assumptions utilized in evaluating the Group B portion of the transaction" is hereby added immediately after the word "transaction" in the third to the last line of the third paragraph of § 3.

(f) A new sentence is hereby added at the end of the third paragraph of § 3 to read in its entirety as follows:

> "Lessor and Lessee further agree that if the weighted average Closing Date relating to the Group B Units is before March 1, 1981, then the rentals payable hereunder with respect to Group B Units and the Casualty Values and Termination Values set forth in Schedules B and C hereto will be adjusted upward to preserve the Owner's Net Economic Return with respect to the Group B Units."

(g) The date "January 1, 2006" in the first sentence of § 4 is hereby deleted and the words "(i) in the case of the Group A Units, January 1, 2006, and

(ii) in the case of the Group B Units, July 1, 2006."

(h) The date "January 1, 1991" in clause (i) in the ninth paragraph of § 7 is hereby deleted and the date "July 1, 1991" substituted therefor.

(i) § 15 is hereby amended by:

(i) the addition of the words "in the case of the Group A Units" immediately before the words "12 months" at the beginning of paragraph (a)(4)(A)(ii);

(ii) the renumbering of paragraphs (a)(4)(A)(iii) and (iv) as paragraphs (a)(4)(A)(iv) and (v), respectively; and

(iii) the addition thereto of a new paragraph (a)(4)(A)(iii) thereof to read in its entirety as follows:

"(iii) in the case of the Group B Units, 12 months of depreciation in the calendar year 1981, based upon the election of the 'modified half-year' convention, if the Owner properly elects such convention, or six months depreciation in the calendar year 1981, based upon election of the 'half-year convention', if the Owner properly elects such convention;"

(j) The entire portion of the first sentence of § 19 following the words "such purchase," in the sixteenth line thereof is hereby deleted in its entirety and the following substituted therefor, to read in its entirety:

"if the Owner had not been required to pay on (i) January 1, 1981, in connection with the Group A Units or (ii) July 1, 1981, in connection with the Group B Units, the interest accrued on or the Conditional Sale Indebtedness from the first Closing Date (as defined in the CSA) to (i) January 1, 1981, in the case of the Group A Units and to (ii) July 1, 1981, in the case of the Group B Units during the basic term of the Lease commencing on (i) January 1, 1981, in the case of the Group A Units and (ii) July 1, 1981, in the case of the Group B Units."

(k) Schedules B and C to the Lease are hereby deleted in their entirety and Exhibits B and C hereto substituted therefor, respectively.

4. The terms "Participation Agreement", "Conditional Sale Agreement" and "Lease", as used in the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement, shall be deemed to refer to the Participation Agreement, the Conditional Sale Agreement and the Lease, respectively, as amended by this Agreement.

5. The amendments herein provided for shall be subject to, as conditions precedent, the receipt by the Agent on or prior to the date hereof of the following documents dated the date hereof.

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

(i) this Agreement has been duly authorized, executed and delivered and constitutes, and the Participation Agreement, the Conditional Sale Agreement and the Lease, all as amended by this Agreement, constitute, legal and valid instruments, binding on the parties thereto in accordance with their terms;

(ii) no authorization or approval from any governmental or public body or authority of the United States of America, or of any of the states thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the execution, delivery and performance of this Agreement, or the performance of the Participation Agreement, the Conditional Sale Agreement or the Lease, all as amended by this Agreement;

(iii) this Agreement has been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and, since the Equipment may not be used in United States Interstate Commerce, Uniform Commercial Code financing statements, and amendments thereto, naming Trustee, as debtor and Agent as secured party have been duly filed in all offices where required in Connecticut, and no other filing or recordation is necessary for the protection of

the rights of the Agent in such documents or in the Equipment in any state of the United States of America or the District of Columbia; and

(iv) the legal opinions referred to in subparagraphs (b), (c), (d), (e), (f), (g) and (h) of this Paragraph 5 are satisfactory to said special counsel and in their opinion the Investor and they are justified in relying thereon;

and as to such other matters incident to the transactions contemplated by this Agreement as the Investor may reasonably request;

(b) an opinion of Messrs. Tory, Tory, DesLauriers & Binnington, special Canadian counsel for the Agent, the Investor, the Trustee and the Owner, to the effect that:

(i) the Lessee is a body corporate created by the Canadian Wheat Board Act (Canada), and is for all purposes an agent of Canada, and the obligations of the Lessee under the Participation Agreement and the Lease, both as amended by this Agreement, constitute direct obligations of Canada;

(ii) this Agreement has been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties hereto, constitutes, and the Participation Agreement and the Lease, both as amended by this Agreement constitute, legal and valid instruments, binding on Canada in accordance with their terms;

(iii) no authorization or approval from any governmental or public body or authority in Canada is required under the laws of Canada or any province thereof with respect to the entering into this Agreement or, to the knowledge of said counsel, performance of this Agreement, or of the Participation Agreement, the Conditional Sale Agreement or the Lease, all as amended by this Agreement, except those which have been duly obtained or accomplished;

(iv) all taxes and registration, filing and recording fees payable in Canada or any province thereof in connection with the execution, delivery,

registration, depositing, filing or recording of this Agreement have been paid;

(v) proceedings may be brought against Canada in the Federal Court of Canada for a declaratory judgment with regard to any claims arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as amended hereby, except that such proceedings may not be available for payment of amounts payable hereunder or thereunder but not paid by reason of the failure to obtain the necessary Parliamentary appropriations; no law in Canada requires the consent of any public official or authority for proceedings to be brought or judgment to be obtained against Canada arising out of or relating to the obligations of Canada hereunder or under the Participation Agreement or the Lease, both as amended hereby; nor is there any immunity from jurisdiction available to Canada in any such action in the Federal Court of Canada; and although any judgment obtained in proceedings brought in the Federal Court of Canada against Canada is not capable of being enforced by execution against Canada, any final money judgment and costs awarded against Canada in any such proceedings are required by the Federal Court Act (Canada) to be paid out of the Consolidated Revenue Fund of Canada;

(vi) the Federal Court of Canada will observe and give effect to the choice of law clauses contained in the Participation Agreement and the Lease, both as amended hereby, and will apply the laws of the State of Connecticut in construing the Participation Agreement and the Lease; both as amended hereby;

(vii) this Agreement has been duly registered in the appropriate registries pursuant to the Conditional Sales Acts of British Columbia, Alberta and Saskatchewan and in the appropriate offices of the Counties of Pictou and Halifax, Nova Scotia, and except that the registration must be renewed in Saskatchewan, Alberta and British Columbia within 3 years (or, in the case of Saskatchewan, 4 years) of the initial registration and within 3 years of every renewal thereafter, and within 5 years of the initial registration and within 5 years of every renewal thereafter in the Counties of

Pictou and Halifax, Nova Scotia, no other registration, filing or recording is necessary in order to protect in British Columbia, Alberta and Saskatchewan and in the Counties of Pictou and Halifax, Nova Scotia, the rights of the Trustee under the Lease and of the Agent in and to the Equipment under the Conditional Sales Agreement, as amended hereby, and the Assignment;

(viii) subject to the rights of the Lessee under the Lease, as amended hereby and to any liens which may arise under The Workers' Compensation Act of Nova Scotia or The Assessment Act of Nova Scotia, the rights of the Agent in and to the Equipment under the Conditional Sale Agreement, as amended hereby, are fully protected against any and all subsequent purchasers and mortgagees claiming from or under the Trustee and against creditors of the Trustee in British Columbia, Alberta and Saskatchewan and against subsequent mortgagees claiming from or under the Trustee and against creditors of the Trustee in the Counties of Pictou and Halifax, Nova Scotia;

(ix) Financing Change Statements have been registered giving notice of this Agreement in accordance with the Personal Property Security Acts of Ontario and Manitoba, and the interest of the Agent in and to the Equipment pursuant to the Conditional Sale Agreement and the Lease, both as amended hereby, and to the Assignment has been duly perfected in Ontario and Manitoba, and except that registration must be renewed in Ontario and Manitoba within three years of the initial registration and within three years of every renewal thereafter, no other registration, filing or recording is necessary in order to protect in Ontario and Manitoba the rights of the Agent in and to the Equipment under the Conditional Sales Agreement, as amended hereby, and the Assignment; and

(x) under the law of the Province of Quebec, there is no provision for the registration, recording or filing of the title of the Trustee to the Equipment and the rights of the Agent under the Conditional Sales Agreement, as amended hereby, and the Assignment, nor for the taking of any other

action with respect thereto, in such province; under the law of the Province of Quebec, such title and rights of the Agent are effectively protected in that the Trustee may revindicate, i.e., recover the Equipment from the Lessee or a third party in possession even in the event where such third party purports to be the owner thereof, by proving its own title and the defects in the possession or title of such third party except where:

(A) such third party shall have acquired title to the Equipment by way of prescription, which takes place after the lapse of three years, reckoning from the loss of possession, in favour of the possessors in good faith, even when the loss of possession has been occasioned by theft;

(B) such third party shall have bought the Equipment in good faith in a fair or market, or at a public sale, or from a trader dealing in similar articles, or by way of a commercial matter, except that so long as prescription has not been acquired, any Equipment loss or stolen may be revindicated although it has been bought in good faith as aforesaid, but the revindication in such cases can only take place upon reimbursing the third party the price he has paid; or

(C) such third party shall have acquired the Equipment pursuant to a sale under the authority of law;

(c) an opinion of Messrs. Day, Berry & Howard, counsel for the Trustee, to the effect set forth in clause (ii) of subparagraph (a) of this Paragraph 5, insofar as such matters relate to the Trustee and to the laws of the State of Connecticut or of the United States of America regulating banking or trust powers, and to the further effect that:

(i) The Connecticut Bank and Trust Company is a banking corporation duly organized, validly existing and in good standing under the laws of the State of Connecticut, has the corporate power, authority and legal right under Connecticut and Federal law to carry on its business as presently conducted, to execute and deliver this Agreement,

and to observe and perform the provisions hereof and of the Participation Agreement, the Conditional Sale Agreement and the Lease, all as amended by this Agreement;

(ii) this Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, the Conditional Sale Agreement and the Lease, all as amended by this Agreement, are legal and valid instruments, binding on the parties thereto in accordance with their terms; and

(iii) Uniform Commercial Code financing statements, and amendments thereto, with respect to the Equipment naming the Trustee as debtor and the Agent as secured party have been duly filed in all offices where required in Connecticut and, assuming the filing of this Agreement, the Conditional Sales Agreement as amended hereby and the Assignment pursuant to 49 U.S.C. § 11303, no other filing or recordation is necessary under the laws of the State of Connecticut for the protection of the rights of the Agent, in the Equipment in such state, except that continuation statements must be filed within 6 months prior to the expiration of the 5-year period following the date of filing of the financing statements originally filed and subsequent continuation statements must be filed within 6 months prior to the expiration of each subsequent 5-year period;

(d) an opinion of Messrs. Davis Polk & Wardwell, counsel for the Owner, to the effect that:

(i) this Agreement has been duly authorized, executed and delivered by the Owner and, assuming the due authorization, execution and delivery by the other parties thereto, this Agreement and the Participation Agreement, as amended hereby, are legal, valid and binding instruments, enforceable against the Owner in accordance with their terms;

(ii) no authorization or approval from any governmental body or authority of the United States of America or of any state is to the knowledge of such counsel necessary for the execution and delivery of this Agreement by the Owner and the performance by the Owner of this Agreement and the Participation Agreement, as amended hereby;

(e) an opinion of Messrs. Stikeman, Elliott, Tamaki, Mercier & Robb, special counsel for the Lessee, to the effect set forth in subparagraph (b) of this Paragraph 5;

(f) an opinion of Henry B. Monk, Esq., General Counsel of the Lessee, to the effect set forth in clauses (i), (ii) and (iii), of subparagraph (b) of this Paragraph 5;

(g) an opinion of counsel for the Builder to the effect that this Agreement has been duly authorized, executed and delivered by the Builder and, assuming due authorization, execution and delivery by the parties hereto, this Agreement and the Conditional Sale Agreement, as amended by this Agreement, constitute the legal, valid and binding agreements of the Builder enforceable against the Builder in accordance with their terms; and

(h) an opinion of counsel for the Agent to the effect that this Agreement has been duly authorized, executed and delivered by the Agent and, assuming due authorization, execution and delivery thereof by the parties hereto, this Agreement and the Participation Agreement, as amended hereby, are legal, valid and binding instruments.

In giving the opinions specified in subparagraphs (a) through (g) of this Paragraph 5, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by equitable principles or (except in the case of the opinions specified in subparagraphs (b), (e) and (f)) by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinion specified in subparagraph (a) of this Paragraph 5, counsel may rely (i) as to authorization, execution and delivery by the Builder of the documents executed by the Builder, on the opinion of counsel for the Builder and (ii) as to any matter governed by the law of any jurisdiction other than the State of New York or the United States of America, on the opinions of special Canadian counsel and of counsel for the Trustee, the Agent, the Builder and the Lessee as to such matter. In addition, the opinion specified in subparagraph (c) of this Paragraph 5 may contain the further qualifications that (i) the enforcement of the indemnification provisions of the Conditional Sale Agreement and the Lease, both as amended hereby, may be limited by considerations of public policy insofar as indemnification for violation of securities or other laws is concerned and (ii) certain laws and judicial decisions may affect the enforceability of certain rights and remedies

provided in the Conditional Sale Agreement and the Lease, but none of such laws and judicial decisions make the rights and remedies provided in the Conditional Sale Agreement and the Lease, both as amended hereby, in each case taken as a whole, inadequate for the realization of the benefits thereof (except with respect to the indemnification provisions of the Conditional Sale Agreement and the Lease, both as amended hereby, to the extent enforcement of such provisions may be limited as aforesaid). In giving the opinion specified in subparagraph (d) of this Paragraph 5, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of special Canadian counsel and of counsel for the Trustee and the Lessee. In giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 5, special Canadian counsel may rely (i) as to any matters governed by the laws of provinces of Canada other than Ontario (in the case of the opinion specified in subparagraph (b)) or Quebec (in the case of the opinion specified in subparagraph (e)), on opinions of special provincial counsel which are satisfactory in form and scope to such special Canadian counsel and copies of which are attached to their opinions, (ii) as to perfection of the security interest of the Agent in the Equipment created by the Conditional Sale Agreement, as amended hereby, on the opinions of counsel for the Agent and the Trustee and (iii) as to any matter governed by the law of any jurisdiction other than Canada or the provinces thereof, on the opinion of counsel for the Trustee. In addition, in giving the opinions specified in subparagraphs (b), (e) and (f) of this Paragraph 5, counsel may (i) assume that the Builder transfers good and valid title in and to the Equipment free and clear of all liens, charges and other encumbrances and (ii) include a qualification as to the possibility that a judgment by a Canadian Court may be awarded only in Canadian currency and to the immunity of Canada from execution being levied against the property of Canada. In giving the opinion specified in subparagraph (g) of this Paragraph 5, counsel for the Builder may assume that the law of the State of Connecticut is the same as the law of the principal place of business of the Builder and may assume the timely recording or filing of this Agreement and any other documents relating thereto or copies or notices thereof in accordance with the laws of all jurisdictions in which such recording or filing may be required.

6. The Lessee will promptly cause this Agreement to be filed and recorded in accordance with the provisions of Article 18 of the Conditional Sale Agreement and § 16 of the Lease. True copies of the Participation Agreement, Conditional Sale Agreement and Lease may be appended hereto, for informational purposes only, to facilitate registration in certain jurisdictions.

7. Except as amended hereby, the Participation Agreement, the Conditional Sale Agreement, the Lease, the Assignment and the Trust Agreement shall remain in full force and effect.

8. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument and it shall not be necessary that the parties hereto sign the same counterpart so long as all counterparts shall be executed by the Agent and the other parties hereto shall each sign such a counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

THE CANADIAN WHEAT BOARD, a body corporate acting as agent of Her Majesty in right of Canada,

by W. E. Jarvis

by J. L. Leibfried

[Seal]

Attest:

Maureen Hunter
Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by R. E. Schreiber
Assistant Vice President

[Corporate Seal]

Attest:

F. H. Gilbert
Corporate Trust Officer

J. P. MORGAN INTERFUNDING CORP.,

by George A. Kent

[Corporate Seal]

Attest:

Barbara S. Stokes
Assistant Secretary

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee as aforesaid,

by Donald E. Smith
Authorized Officer

[Corporate Seal]

Attest:

Clark M. Whitcomb
Authorized Officer

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by Louis V. Farrar
Vice President

[Corporate Seal]

Attest:

Assistant Secretary

HAWKER SIDDELEY CANADA INC.,

by Ivan E. Bull
Vice President

[Corporate Seal]

Attest:

Colin A. Haines
Secretary

PROVINCE OF MANITOBA,)
) ss.:
CITY OF WINNIPEG ,)

On this 21st day of January 1981, before me personally appeared W. E. Jarvis and J.L. Leibfried , to me personally known, who, being by me duly sworn, says that they are the Chief Commissioner and Commissioner , respectively, of THE CANADIAN WHEAT BOARD, that one of the seals affixed to the foregoing instrument is the seal of said Board, that said instrument was signed and sealed on behalf of said Board by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Anders Bruun
Notary Public

[Notarial Seal]

My Commission expires March 31, 1981

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

On this 19th day of January 1981, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Patricia A. Shilow
Notary Public

[Notarial Seal]

My Commission expires 7-1-82

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

On this 27th day of January 1981, before me personally appeared George A. Kent , to me personally known, who, being by me duly sworn, says that he is a Manager of J. P. MORGAN INTERFUNDING CORP., 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.

Veronica C. Miller
Notary Public

[Notarial Seal]

Veronica C. Miller
Notary Public, State of New York
No. 30-4501960
Qualified in Nassau County
Certificate filed in New York Count

My Commission expires
March 30, 1981

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

On this 20th day of January 1981, before me personally appeared Donald E. Smith , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Sheree M. Daniels
Notary Public

[Notarial Seal]

Sheree M. Daniels
Notary Public

My Commission expires March 31, 1985

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

On this 23rd day of January 1981, before me personally appeared Louis V. Ferrar , to me personally known, who, being by me duly sworn, says that he is an Vice President of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 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.

Janis A. Votta
Notary Public

[Notarial Seal]

Janis A. Votta
Notary Public, State of N. Y.
No. 24-4623624
Qualified in Kings Co.
Cert. filed in New York Co.

My Commission expires March 30,1982

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

On this 22nd day of January 1981, before me personally appeared Ivan E. Bull , to me personally known, who, being by me duly sworn, says that he is Vice President of HAWKER SIDDELEY CANADA INC., 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.

Eric R. Elvidge
Notary Public

[Notarial Seal]

My Commission expires

Exhibit A
To
Amendment Agreement

SCHEDULE I
TO
CONDITIONAL SALE AGREEMENT

Allocation Schedule of Each
$1,000,000 of Conditional Sale Indebtedness

Payment Date	Group A Equipment Principal Payment	Group A Equipment Ending Principal	Group B Equipment Principal Payment	Group B Equipment Ending Principal
1/1/81	$ 0.00	$1,000,000.00		
7/1/81	6,772.99	993,227.01	0.00	$1,000,000.00
1/1/82	7,213.24	986,013.77	$ 6,330.20	993,669.79
7/1/82	7,682.10	978,331.67	6,741.66	986,928.13
1/1/83	8,181.44	970,150.24	7,179.87	979,748.26
7/1/83	8,713.23	961,437.01	7,646.56	972,101.69
1/1/84	9,279.59	952,157.42	8,143.59	963,958.10
7/1/84	9,882.76	942,274.66	8,672.92	955,285.18
1/1/85	10,525.14	931,749.52	9,236.66	946,048.51
7/1/85	11,209.28	920,540.24	9,837.05	936,211.47
1/1/86	11,937.88	908,602.36	10,476.46	925,735.01
7/1/86	12,713.84	895,888.52	11,157.43	914,577.59
1/1/87	13,540.24	882,348.28	11,882.66	902,694.93
7/1/87	14,420.36	867,927.92	12,655.03	890,039.90
1/1/88	15,357.68	852,570.25	13,477.61	876,562.29
7/1/88	16,355.93	836,214.32	14,353.65	862,208.64
1/1/89	17,419.06	818,795.25	15,286.64	846,922.00
7/1/89	18,551.30	800,243.95	16,260.27	830,641.73
1/1/90	19,757.14	780,486.81	17,338.49	813,303.24
7/1/90	21,041.35	759,445.46	18,465.49	794,837.75
1/1/91	22,409.04	737,036.42	19,665.75	775,172.00
7/1/91	23,865.63	713,170.80	20,944.02	754,227.98
1/1/92	16,311.57	696,859.23	22,305.38	731,922.60
7/1/92	26,477.14	670,382.09	23,755.23	708,167.37
1/1/93	13,953.52	656,428.56	16,665.46	691,501.91
7/1/93	24,691.94	631,736.62	26,382.58	665,119.33
1/1/94	13,596.16	618,140.46	13,960.91	651,158.42
7/1/94	33,580.08	584,560.39	40,310.28	610,848.14
1/1/95	6,744.79	577,815.60	0.00	610,848.14
7/1/95	26,528.53	551,287.07	28,738.26	582,109.89
1/1/96	14,045.10	537,241.97	16,519.60	565,590.29
7/1/96	24,429.88	512,812.09	26,984.47	538,605.82
1/1/97	16,481.57	496,330.52	13,516.96	525,088.86
7/1/97	23,910.38	472,420.14	24,543.23	500,545.63
1/1/98	47,754.39	424,665.75	22,398.10	478,147.54
7/1/98	60,119.21	364,546.53	56,101.71	422,045.83
1/1/99	64,026.96	300,519.57	59,748.32	362,297.52
7/1/99	68,188.71	232,330.86	63,631.96	298,665.56
1/1/00	72,620.98	159,709.88	67,768.03	230,897.53
7/1/00	77,341.34	82,368.53	72,172.96	158,724.57
1/1/01	82,368.53	0.00	76,864.20	81,860.37
7/1/01	---	---	81,860.37	0.00
	$1,000,000.00		$1,000,000.00	

Exhibit B
To
Amendment Agreement

SCHEDULE B TO LEASE

Casualty Values

The Casualty Value of any Unit to be paid on a Casualty Value Payment Date during the primary term shall be an amount equal to the percentage of the Purchase Price of such Unit set forth opposite such Casualty Value Payment Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof) such percentage of the Purchase Price of such Unit shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Casualty Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/81	112.30	-
7/1/81	112.30	111.79
1/1/82	115.00	111.79
7/1/82	117.45	115.08
1/1/83	119.38	117.68
7/1/83	121.03	120.05
1/1/84	122.41	121.98
7/1/84	123.52	123.67
1/1/85	124.34	125.12
7/1/85	124.89	126.33
1/1/86	125.16	127.29
7/1/86	125.17	128.03
1/1/87	124.90	128.53
7/1/87	124.37	128.82
1/1/88	123.70	128.88
7/1/88	122.99	128.74

Casualty Value Payment Date	Percentage of Purchase Price	
	Group A Units	Group B Units
1/1/89	122.22	128.40
7/1/89	121.41	127.85
1/1/90	120.54	127.14
7/1/90	119.61	126.23
1/1/91	118.62	125.18
7/1/91	117.56	123.95
1/1/92	116.43	122.60
7/1/92	115.22	121.10
1/1/93	113.94	119.50
7/1/93	112.58	117.76
1/1/94	110.00	115.95
7/1/94	107.32	112.86
1/1/95	104.55	109.63
7/1/95	101.63	106.30
1/1/96	98.56	102.88
7/1/96	95.29	99.35
1/1/97	91.80	95.73
7/1/97	88.08	92.01
1/1/98	84.17	88.20
7/1/98	80.25	84.29
1/1/99	76.44	80.35
7/1/99	72.66	76.42
1/1/00	69.04	72.56
7/1/00	65.49	68.72
1/1/01	62.16	65.03
7/1/01	58.96	61.39
1/1/02	55.79	57.95
7/1/02	52.40	54.40
1/1/03	48.94	50.78
7/1/03	45.25	46.94
1/1/04	39.41	42.97
7/1/04	34.33	38.77
1/1/05	27.06	34.40
7/1/05	23.54	29.77
1/1/06	19.81	24.96
7/1/06	-	20.00

Exhibit C
To
Amendment Agreement

SCHEDULE C TO LEASE

Termination Values

The Termination Value of the Units to be paid on any Termination Date during the primary term shall be an amount equal to the percentage of the Purchase Price of the Units set forth opposite such Termination Date in the following schedule; provided, however, that in the event the Lessee makes payments pursuant to § 15(c) hereof or a similar payment pursuant to § 6 hereof to reflect a Loss of Depreciation Deduction (as such terms are defined in § 15(c) hereof), such percentage of the Purchase Price of the Units shall be redetermined and adjusted in a manner which, after taking into account such payments, will provide the Owner the same after-tax rate of return as contemplated by this Lease, it being understood that no such redetermination or adjustment shall reduce the amount payable on any date for Termination Value to an amount less than the aggregate principal amount of the Conditional Sale Indebtedness to be unpaid on such date, together with interest and premium, if any, thereon to be accrued and unpaid on such date.

Termination Dates	Percentage of Purchase Price		Termination Dates	Percentage of Purchase Price	
	Group A Units	Group B Units		Group A Units	Group B Units
1/1/91	116.58	-	1/1/99	73.15	77.16
7/1/91	115.46	121.91	7/1/99	69.27	73.13
1/1/92	114.27	120.50	1/1/00	65.54	69.17
7/1/92	113.00	118.94	7/1/00	61.89	65.23
1/1/93	111.64	117.28	1/1/01	58.45	61.43
7/1/93	110.21	115.47	7/1/01	55.14	58.69
1/1/94	107.56	113.59	1/1/02	51.85	54.13
7/1/94	104.81	110.42	7/1/02	48.35	50.47
1/1/95	101.96	107.12	1/1/03	44.76	46.73
7/1/95	98.97	103.71	7/1/03	40.95	42.76
1/1/96	95.81	100.72	1/1/04	33.97	38.67
7/1/96	92.45	96.61	7/1/04	25.75	34.33
1/1/97	88.88	92.80	1/1/05	19.35	29.83
7/1/97	85.07	89.09	7/1/05	13.68	25.06
1/1/98	81.07	85.19	1/1/06	9.81	17.11
7/1/98	77.06	81.19	7/1/06	-	10.00