

ITEL

December 29, 1986

IteI Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

RECORDATION NO. 8819-HH Filed & Recorded

JAN 6 1987 9-45 AM

INTERSTATE COMMERCE COMMISSION

Re: Amendment No. 5 to the April 20, 1977 Lease Between SSI Rail Corp. and McCloud River Railroad Company

Dear Ms. McGee:

On behalf of IteI Rail Corporation, the above instrument, in four (4) counterparts is hereby submitted for filing and recording pursuant to 49 USC Section 11303(a), along with a check in the amount of \$10 covering the recordation fee.

Please record this Amendment under the Lease Agreement dated April 20, 1977, between SSI Rail Corp. and McCloud River Railroad Company, which was filed with the ICC on May 11, 1977, and given Recordation No. 8819.

7-006A073

The parties to the aforementioned instrument are listed below:

IteI Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

McCloud River Railroad Company (Lessee)
P.O. Drawer A
McCloud, California 96057

No. _____
Date JAN 6 1987

Fee \$ 10.00

ICC Washington, D.C.

This Amendment terminates the Sublease Agreement of August 29, 1980, with Sierra Railroad Company ("SERA") and assigns one hundred (100) 50'6", 70-ton, XP boxcars bearing reporting marks SERA 4500-4599 to McCloud River Railroad Company, which boxcars will bear reporting marks MR 4500-4599. Schedule No. 3.A. is replaced with Schedule No. 3.B., Schedule No. 6 is deleted entirely and Schedule No. 8 is added to the Lease Agreement.

Please return to the undersigned the stamped counterparts not required for filing purposes along with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,

Patricia Schumacker
Legal Department

:ps
Enclosures

cc: Howard L. Chabner, Esq.
Marianne Ledda

RECEIVED
JAN 6 9 38 AM '87
FBI

Interstate Commerce Commission
Washington, D.C. 20423

1/6/86

OFFICE OF THE SECRETARY

Patricia Schumacker
Itel Rail Corporation
55 Francisco St.
San Francisco, Calif. 94133

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 1/6/86 at 9:45am, and assigned re-
recording number(s). 8819-HH

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

11/25/86

RECORDATION NO. 8819 HH Filed & Recorded

JAN 6 1987 9-45 AM

AMENDMENT NO. 5

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT NO. 5 (the "Amendment") to that certain Lease Agreement dated as of April 20, 1977, as amended, ("Agreement") between SSI Rail Corp. and McCLOUD RIVER RAILROAD COMPANY ("Lessee") is made this 12th day of December, 1986 between ITEL RAIL CORPORATION, as successor in interest to SSI Rail Corp., ("Lessor") and Lessee.

R E C I T A L S :

- A. Lessor and Lessee are parties to the Agreement pursuant to which five hundred (500) boxcars described therein (the "Boxcars") have been leased by Lessor to Lessee.
- B. The Boxcars bearing the reporting marks MR 2213 and MR 2322 were destroyed on September 12, 1986 and September 10, 1986, respectively.
- C. Lessee, with the consent of Lessor, entered into the following subleases: (i) the Sublease Agreement dated January 24, 1980 ("CPLT Sublease") between Lessee and Camino, Placerville and Lake Tahoe Railroad Company ("CPLT") with respect to fifty (50) Boxcars bearing the reporting marks CPLT 7850-7899; (ii) the Sublease Agreement dated February 6, 1980 ("SNCT Sublease") between Lessee and Seattle and North Coast Railroad Company ("SNCT") with respect to one hundred (100) Boxcars bearing the reporting marks SNCT 1000-1099, which were remarked to MR 11000-11099; and (iii) the Sublease Agreement dated August 29, 1980 ("SERA Sublease") between Lessee and Sierra Railroad Company ("SERA") with respect to one hundred (100) Boxcars bearing the reporting marks SERA 4500-4599.
- D. Pursuant to the letter dated February 22, 1985 from Lessee to SNCT, Lessee terminated the SNCT Sublease and the assignment pool on SNCT's lines described in Amendment No. 3 dated September 30, 1982 to the Agreement.
- E. Through Amendment No. 4 dated November 4, 1985, to the Agreement, the CPLT Sublease was terminated and the fifty (50) Boxcars from the CPLT Sublease have been remarked to MR 7226-7275 and reinstated in the Agreement under revised rental terms.
- F. Lessor and Lessee desire to terminate the SERA Sublease and to assign the Boxcars bearing the reporting marks SERA 4500-4599 to a third party for a period of time.

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree to amend the Agreement as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in this Amendment.
2. Equipment Schedule No. 3.A. is deleted in its entirety and is replaced by Equipment Schedule No. 3.B. attached hereto.
3. Equipment Schedule No. 6 to the Agreement is hereby deleted in its entirety.
4. Equipment Schedule No. 8 attached hereto is hereby added to the Agreement.
5. Lessee shall terminate the SERA Sublease and shall have the Boxcars bearing the reporting marks SERA 4500-4599 remarked, at Lessor's expense, to bear the reporting marks MR 4500-4599. Each such Boxcar shall be deemed terminated from the SERA Sublease upon its remark to MR reporting marks.
6. With respect to the Boxcars on Equipment Schedule No. 8 only, Subsection 3.A. is replaced by the following:

3. Supply Provisions

- A. Lessee hereby approves the specifications of the Boxcars delivered to it by Lessor. Lessor shall, at its expense, remark the Boxcars with the railroad markings of Lessee in compliance with all applicable regulations. Each Boxcar shall be deemed delivered and subject to the terms and provisions of this Agreement at 12:01 a.m. on the date and at the location such Boxcar is remarked ('Delivery'). After the Boxcars have been remarked, the Boxcars shall be moved to the railroad lines of the Canadian National Railways ("CN") at no cost to Lessee as soon as is consistent with mutual convenience and economy. Notwithstanding that Lessee may not have immediate physical possession of the Boxcars leased hereunder, Lessee agrees to pay the rent set forth in this Agreement. To move the Boxcars to Lessee's railroad line and to ensure optimal use of the Boxcars after the Initial Loading (as hereinafter defined), Lessor agrees to assist Lessee in monitoring Boxcar movements and, when deemed necessary by Lessee, to assist in the issuance of movement orders with respect to such Boxcars to other railroad lines in accordance with Interstate Commerce Commission ("ICC") and Association of American Railroads ("AAR") interchange rules adopted by the AAR Mechanical Division, Operations and Maintenance Department ("Interchange Rules"). If Lessor incurs expenses in having other railroads move Boxcars in accordance with this Section with Lessee's request and approval, except for any expenses incurred in the initial delivery of such Boxcars pursuant to

this Section, Lessee shall reimburse Lessor for such expenses within ten (10) days of receipt of an invoice from Lessor. For the purposes hereof, the term "Initial Loading" as to each Boxcar, shall be "the date such Boxcar is delivered to and accepted by CN."

7. With respect to the Boxcars on Equipment Schedule No. 8 only, Subsection 3.C. is replaced by the following:
 - "C. Additional Boxcars shall be leased from Lessor only upon the mutual agreement of the parties. During the term of this Agreement, Lessor may, at its expense, replace any or all of the Boxcars with similar boxcars upon prior written notice from Lessor to Lessee; provided, however, that any such replacement shall not prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor."
8. The words "Lessee and SSI (or its assignee)" in Subsection 5.C. of the Agreement shall be replaced by the words "Lessee, Lessor, Heller Financial, Inc., and any assignee of Lessor."
9. Lessor consents to Lessee entering into an assignment agreement with CN in the form of Exhibit A attached hereto ("CN Assignment"), provided that Lessor shall perform Lessee's duties under the CN Assignment, except the duties described in paragraph 7 therein; that Lessee shall, only upon Lessor's instructions or consent, exercise its option to terminate, extend, renegotiate or request free storage under the CN Assignment; and that Lessee shall, if directed by Lessor, and if and to the extent legally permissible, assign Lessee's interest in the CN Assignment to any party designated by Lessor.
10. During the term and any extended term(s) of the CN Assignment ("Assignment Period"), Subsection 6.A.(i), 6.C. and 6.D. of the Agreement shall be of no force or effect with respect to the Boxcars on Equipment Schedule No. 8, and Subsection 6.A.(ii) shall be amended by deleting the words _____ each time they appear and replacing such words with '_____. Lessor recognizes that payments received by Lessee will be reduced by the amount of relief allowed to CN under the CN Assignment.
11. The words" entered into by SSI in connection with the acquisition of Boxcars" in Subsection 7.A. shall be replaced by the words "pursuant to which Lessor's obligations thereunder are or become secured by the Boxcars which are the subject of this Agreement."
12. Prior to the commencement, if applicable, and upon and after the expiration of the CN Assignment, the terms of Section 9 of this Amendment shall be of no force or effect with respect to the Boxcars on Equipment Schedule No. 8, and Section 6 of the Agreement shall apply.

- 13. Nothing herein contained shall (i) be deemed to constitute a waiver or otherwise modify, affect or impair any sums due to Lessor or Lessee with respect to any Boxcar, including the Boxcars on Equipment Schedule No. 8, under the terms and conditions of the Agreement or (ii) be deemed to constitute a waiver or otherwise modify, affect or impair the powers, rights, or remedies vested in or available to Lessor or Lessee with respect to any Boxcar under the terms and conditions of the Agreement.
- 14. Except as expressly modified by the Amendment, all terms and provisions of the Agreement shall remain in full force and effect with respect to all of the Boxcars subject to the Agreement.
- 15. This Amendment may be executed by the parties hereto in any number of counterparts, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

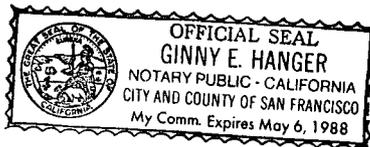
MCCLLOUD RIVER RAILROAD
COMPANY

By: AD Hayes
Title: President
Date: 12/12/86

By: Paul A. Zabe
Title: PRES.
Date: 12/8/86

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 12th day of December, 1986, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 5 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

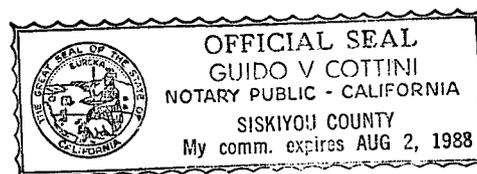


Ginny E. Hanger
Notary Public

STATE OF California)
) ss:
COUNTY OF Siskiyou)

On this 8th day of December, 1986, before me personally appeared Paul A. Zalec, to me personally known, who being by me duly sworn says that such person is President of McCloud River Railroad Company, that the foregoing Amendment No. 5 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Guido V. Cottini
Notary Public



EQUIPMENT SCHEDULE NO. 3.B.

Itel Rail Corporation hereby leases the following Boxcars to McCloud River Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 20, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	70-ton General Purpose Boxcars	MR 2000, 2003, 2005, 2009, 2013, 2014, 2016, 2019, 2022, 2023, 2024, 2025, 2026, 2027, 2030, 2033, 2034, 2035, 2038, 2039, 2042, 2048, 2049, 2053, 2055, 2056, 2058, 2062, 2064, 2066, 2069, 2074, 2080, 2083, 2084, 2085, 2086, 2087, 2088, 2095, 2096, 2097, 2098, 2101, 2103, 2111, 2112, 2115, 2116, 2124, 2128, 2138, 2151, 2153, 2164, 2171, 2172, 2180, 2184, 2191, 2198, 2200, 2203, 2204, 2205, 2209, 2210, 2212, 2221, 2223, 2228, 2229, 2230, 2231, 2232, 2234, 2235, 2236, 2240, 2241, 2242, 2243, 2244, 2249, 2251, 2252, 2254, 2262, 2265, 2269, 2270, 2271, 2272, 2274, 2275, 2276, (continued)	50'6"	9'6"	10'7"	8' Double Sliding	141

EQUIPMENT SCHEDULE NO. 3.B.
(continued)

Istel Rail Corporation hereby leases the following Boxcars to McCloud River Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 20, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	70-ton General Purpose Boxcars	MR 2277, 2280, 2284, 2285, 2288, 2290, 2292, 2293, 2296, 2300, 2301, 2304, 2305, 2307, 2312, 2313, 2314, 2315, 2317, 2319, 2320, 2324, 2333, 2335, 2337, 2338, 2341, 2342, 2343, 2347, 2348, 2353, 2356, 2357, 2361, 2368, 2372, 2374, 2376, 2378, 2388, 2389, 2391, 2396, 2397	50'6"	9'6"	10'7"	8' Double Sliding	

ITEL RAIL CORPORATION

By: *D. M. Hayes*
 Title: *President*
 Date: *12/12/86*

McCLOUD RIVER RAILROAD COMPANY

By: *Paul A. Zales*
 Title: *PRES.*
 Date: *12/8/86*

EQUIPMENT SCHEDULE NO. 8

Itel Rail Corporation hereby leases the following Boxcars to McCloud River Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 20, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XP 1 DAZ	70-ton General Purpose Boxcar Plate B Nailable Steel Floor	MR 4500-4599	50'6"	9'6"	10'7"	8' Double Sliding	100

ITEL RAIL CORPORATION

By: *[Signature]*
Title: President
Date: 12/12/86

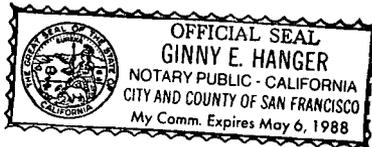
McCLOUD RIVER RAILROAD COMPANY

By: *[Signature]*
Title: TRES.
Date: 12/8/86

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 12th day of December, 1986, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of ITEL Rail Corporation, that the foregoing Equipment Schedules No. 3.B., and No. 8 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

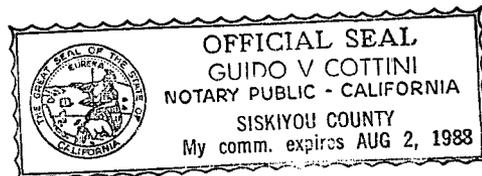
GINNY E. HANGER
Notary Public



STATE OF California)
) ss:
COUNTY OF Siskiyou)

On this 8th day of December, 1986, before me personally appeared Paul A. Zalec, to me personally known, who being by me duly sworn says that such person is President of McCloud River Railroad Company, that the foregoing Equipment Schedules No. 3.B., and No. 8 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

GUIDO V. COTTINI
Notary Public





McCLOUD RIVER RAILROAD COMPANY

P.O. BOX 1500

McCLOUD, CALIFORNIA 96057-1500

November 4, 1986

Mr. R. F. Ruggiero
 Assistant Chief of Transportation-
 Car Management
 Canadian National Railways
 935 de la Gauchetiere St. West
 Montreal, Quebec H3B 2M9

Dear Mr. Ruggiero:

Please accept this letter as the agreement ("Assignment Agreement") whereby McCloud River Railroad Company ("Assignor") shall supply Canadian National Railways ("Assignee") with one hundred seventy-five (175) boxcars bearing the reporting marks MR 4500-4599 and MR 178982-178956 as described in Equipment Schedules No. 1 and No. 2 attached hereto (the "Boxcars"). Assignee shall, only upon Assignor's instructions, place said Boxcars into an assignment pool on Assignee's railroad lines as provided for in Car Service Rule 16 and under the provisions of Car Service Directive 145 of the Code of Car Service Rules, AAR Circular No. OT.-10.

The term of this Assignment Agreement, with respect to each Boxcar, shall commence on the date and at the location such Boxcar is delivered to and accepted by the Assignee ("Delivery") and shall expire as to all the Boxcars five (5) years from the earlier of (i) the Delivery of the last Boxcar, or (ii) ninety (90) days after the Delivery of the first Boxcar.

Assignor agrees that at the expiration of this Assignment Agreement, Assignee will be given the first opportunity to extend or renew the Assignment Agreement at terms and conditions to be agreed by the parties.

Assignee shall (i) comply with the handling carrier's obligations under AAR Interchange Rules while the Boxcars are in Assignee's possession and (ii) at Assignee's expense, prepare and file all reports and documents related to or necessary for the use of the Boxcars in Canada.

Assignee assumes responsibility for and agrees to pay, protect, defend, hold harmless and indemnify Assignor against taxes, levies, import duties or withholdings of any nature together with penalties, fines or interests thereon imposed on, or incurred by or asserted against the Boxcars or the revenues earned by the Boxcars during the term of this Assignment Agreement, including all taxes and withholdings imposed by any local, provincial, state, federal or national government, except taxes on paid-up capital or corporate income earned by Assignor.

If during the term of this Assignment Agreement there are any changes to

existing tax laws or the imposition of any new taxes that would significantly increase costs to the Assignee, Assignor and Assignee agree to negotiate a new assignment agreement and in the event a new assignment agreement cannot be mutually agreed upon, Assignee shall have the right to terminate the Assignment Agreement upon 120 days written notice to Assignor.

If any Boxcar returns to Assignor's line as a result of Assignee not filing the assignment pool code properly, Assignee shall be responsible for all costs associated with returning such Boxcar to Assignee. Assignor shall use its best efforts to prevent any Boxcar from being interchanged onto its lines during the term of this Assignment Agreement, including advising Assignor's connecting carrier that the Boxcars have been placed into an assignment pool on Assignee's lines and that the connecting carrier should not return such Boxcars to Assignor during the term of this Assignment Agreement.

During the term of this Assignment Agreement, Assignor may, at its expense, replace any or all of the Boxcars with boxcars of similar design, age and quality upon not less than sixty (60) days' prior written notice to Assignee; provided, however, that any such replacement shall not prevent or prohibit Assignee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor.

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

- 1) The filing by Assignor of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of debtors, or the filing of any such petition or action against Assignor not dismissed within sixty (60) days;
- 2) Levy upon or seizure of any Boxcar by Creditors of Assignor, resulting from acts of Assignor.

Upon the occurrence of any event of default as described in the above Paragraphs, Assignee may, at its option, upon forty-five (45) days written notice to Assignor, terminate this Assignment Agreement.

After acceptance by the Assignee on Assignee's line, each Boxcar will be) until the earlier of (a) the date such Boxcar is first loaded with freight on Assignee's lines, or (b) the thirty-first (31st) day after such Boxcar is first interchanged to Assignee's line (such earlier date to be known as the "Initial Load Date"). After the Initial Load Date, Assignee shall

Assignee shall be in United States dollars.

Assignee shall not take any action that would result in any abatement, reduction or offset that diminishes the Revenues earned by any Boxcar during any calendar month under the term of this Assignment Agreement. In the event of such abatement, reduction or offset resulting from any action of Assignee, Assignee shall, within thirty (30) days of notification thereof from Assignor, pay to Assignor an amount equal to such abatement, reduction or offset.

Assignor is financially responsible for normal maintenance and repair expenses. Assignee is responsible for damage to the Boxcars while on its lines under applicable AAR Rules. For any Boxcar damaged that requires repairs other than running repairs during this assignment agreement, car hire (time and mileage) will be governed by applicable Car Hire and Car Service Rules.

The parties agree that the Revenues to be received by Assignor for use of the Boxcars under this Assignment Agreement (subject to Car Hire Relief and other provisions of this Agreement) shall be determined by the hourly and mileage car hire rates prescribed for excluded boxcars under the Commission's decision in ICC Ex Parte No. 346 (Sub-No. 19) served September 12, 1986, set forth in the Appendix to such decision in paragraph (c) (3) of 49 C.F.R. 1039.14; provided, however, that in the event the ICC shall change the compensation system for excluded boxcars, the Revenues to be received by Assignor shall thereafter be determined by the rates for excluded boxcars under such new system.

In the event that Assignor shall receive Revenues for the use of such Boxcars during the term of this Assignment Agreement that are lower in amount than those specified for excluded boxcars as provided in the preceding paragraph, the parties hereto shall negotiate a new assignment agreement which is mutually satisfactory to Assignor and Assignee. If the parties are unable to negotiate a new assignment agreement withⁱⁿ forty-five (45) days, this Assignment Agreement shall remain in effect, but Assignor may terminate the Assignment Agreement upon not less than sixty (60) days' prior written notice to Assignee.

Upon expiration or termination of this Assignment Agreement, Assignee shall ensure that the Boxcars are in interchange condition, normal wear and tear expected and remove the Boxcars from the provisions of Car Service Rule 16 and Car Service Directive 145 of the Code of Car Service Rules, AAR Circular No. OT.-10.

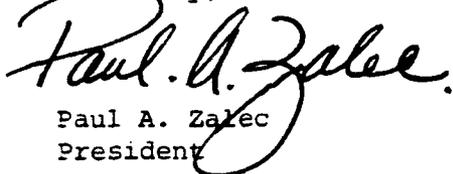
Thereafter, Assignee shall use its best efforts to provide final outbound loads for each Boxcar. At Assignor's option, Assignee shall grant up to one hundred twenty (120) days free storage for each such Boxcar or shall deliver, at Assignee's expense, each such Boxcar to any interchange point on Assignee's lines designated by Assignor. Assignor shall designate in writing an interchange point on Assignee's lines not less than twenty (20) days prior to the expiration of the storage period described herein. Within fifteen (15) days of such notice, Assignee shall begin movement of the Boxcars to the designated interchange point and Assignor shall grant Assignee per diem and mileage reclaim for each Boxcar until the hour such Boxcar is interchanged off Assignee's railroad lines. If, after such fifteen (15) day period, any Boxcar has not begun movement to the interchange point, all applicable per diem and mileage charges shall apply to such Boxcar in accordance with the Car Hire Rules of the AAR. Assignee shall not be held responsible for any customs duties or any other lawful penalties after expiration of the Assignment Agreement.

Assignee recognizes that the right of Assignor and Assignee are subject and subordinate to the rights of any lessor, owner or secured party with respect to the Boxcars.

This Assignment Agreement shall be governed by and construed according to the laws of the State of California.

Please indicate your concurrence to the above terms and conditions by signing both (2) enclosed originals and returning one to me.

Sincerely,


Paul A. Zalec
President

Concurrence By:

CANADIAN NATIONAL RAILWAYS

By: R. F. Luggren

Title: Asst. Chief of Train Crew

Date: Nov. 17 - 1987

EQUIPMENT SCHEDULE NO. 1

McCloud River Railroad Company hereby assigns the following- Boxcars to Canadian National Railways subject to the terms and conditions of that certain Assignment Agreement dated as of 11-4, 1986.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XP	70-ton Plate B Boxcars Nailable Steel floor, cushioning, lading anchors, continuous	MR 4500- 4599	50'6"	9'6"	10'7"	2-8' Sliding	100

MC CLOUD RIVER RAILROAD COMPANY

By: Paul A. Zales

Title: PRESIDENT

Date: 11-4-86

CANADIAN NATIONAL RAILWAYS

By: R. F. Luggren

Title: Asst. Chief of Transport Dept.

Date: Nov 17-1987

EQUIPMENT SCHEDULE NO. 2

McCloud River Railroad Company hereby assigns the following Boxcars to Canadian National Railways subject to the terms and conditions of that certain Assignment Agreement dated as of 11-4, 1986.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XP	70-ton Plate C Boxcars lading anchors, continuous	MR 178882-178956	50'7"	9'6"	11'	10' Plug	75

MC CLOUD RIVER RAILROAD COMPANY

By: Paul A. Zales

Title: PRESIDENT

Date: 11-4-86

CANADIAN NATIONAL RAILWAYS

By: A. F. Suggs

Title: Asst. Chief of Inventory - CM

Date: Nov. 17-1987