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OF COUNSEL
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RECORDATION NO. 21762-A,B FILED
OCT 30 '98 10-11 AM

Counterpart - Original

October 30, 1998

RECORDATION NO. 21762 FILED
OCT 30 '98 10-11 AM

RECEIVED
SURFACE TRANSPORTATION BOARD
OCT 30 10 11 AM

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Master Equipment Lease Agreement-[C], dated as of April 27, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of Lease Schedule-[C] No. One, dated April 27, 1998, and Lease Acceptance Certificate-[C] No. One, dated April 27, 1998, secondary documents related thereto.

The names and addresses of the parties to the enclosed documents are:

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

Lessee: Montell USA Inc.
2801 Centerville Road
Wilmington, Delaware 19850

A description of the railroad equipment covered by the enclosed documents is:

set forth on Schedule 1 attached to the Lease Acceptance Certificate-[C]

Also enclosed is a check in the amount of $78.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bg
Enclosures

RECORDATION NO 21762-A FILED

OCT 30 '98 10-11 AM

LEASE SCHEDULE-[C]

Master Equipment
Lease Agreement-[C] dated
as of April 27, 1998

Outside Commitment
Date: December 30, 1998.

Lease Schedule-[C] No. One (this "Schedule").

Lease Schedule Date: April 27, 1998

Master Lease Agreement-[C] between First Security Bank, N.A., not in its individual capacity except as specifically provided in the Lease, and otherwise solely as Owner Trustee (Lessor) and MONTELL USA Inc. (Lessee). Capitalized terms used and not defined herein shall be given the meaning assigned in the Master Equipment Lease Agreement referred to above (the "Lease").

1. Equipment Description: five hundred forty six (546) rail hopper cars are scheduled to be delivered during the Delivery Period. The Manufacturers, model numbers, specifications and serial numbers of all of the Equipment will be listed in Lease Acceptance Certificates-[C] in the form attached hereto as Exhibit 1 (the "Lease Acceptance Certificates"). The actual number of cars that Lessor will purchase and lease under this Schedule will be the total shown in all Lease Acceptance Certificates, as determined by Lessor and Lessee.

2. Acceptance of Equipment: The Equipment will be delivered by the Manufacturers to the Lessee who shall accept such Equipment pursuant to the respective Purchase Agreements. Lessee shall have sole responsibility for inspecting the Equipment and satisfying itself that it is in the condition required by the relevant Purchase Agreement and will provide Lessor with copies of the acceptance documentation.

3. Lease Acceptance: The Equipment will be delivered by Lessee to Lessor under this Schedule after delivery of the Equipment by the Manufacturer. Such delivery will be evidenced by a Lease Acceptance Certificate in the form attached hereto as Exhibit 1, which shall, among other things: (a) state the total number of cars and the Total Equipment Cost of the Equipment being delivered pursuant thereto; (b) state the initial LIBOR rate for the initial Interim Rent for the Equipment being delivered (as further described below under Interim Rent); and (c) in Schedule 1 thereto, list the Manufacturer, model number, serial number and other specifications of the Equipment being delivered and the Equipment Cost of each car (including the freight cost). Upon its delivery, each Lease Acceptance Certificate shall be incorporated by reference herein and form a part of this Schedule. The date of the Lease Acceptance Certificate shall be the Acceptance Date of the Equipment subject thereto.

4. Equipment Location: Not applicable.

5. Total Equipment Cost: Each Lease Acceptance Certificate shall state the Total Equipment Cost of the Equipment delivered pursuant thereto. The Total Equipment Cost for all the Equipment delivered pursuant to this Schedule shall be the aggregate of the Total Equipment Cost stated in each Lease Acceptance Certificate delivered hereunder and shall be stated in such aggregate amount in the Restated Schedule.

6. Funding: Lessor will fund Equipment Cost, in amounts of not less than $2.0 million, upon not less than 5 Business Days' prior written notice from Lessee concurrently with delivery of a Bill of Sale from the Lessee to Lessor for such Equipment, a Lease Acceptance Certificate, invoices from the Manufacturer and satisfaction of the other terms and conditions stated in the Lease and this Schedule.

7. Basic Term: Twenty years, commencing on the Basic Term Commencement Date. The Basic Term shall expire December 29, 2018.

8. Basic Rent: Basic Rent is payable in advance and shall be applied by the Lessor in advance or in arrears (as set forth in Schedule 2 to the Restated Schedule) on each Payment Date during the Basic Term in an amount equal to the aggregate Total Equipment Cost stated in the Restated Schedule times the applicable percentage for such date stated in Schedule 2 to the Restated Schedule.

   Basic Rent will be determined two Business days before the Basic Term Commencement Date (the "Determination Date") by adjusting the Basic Rent percentages attached hereto in Exhibit 2 as follows. The percentages in Exhibit 2 were calculated as of March 12, 1998 based upon a yield for U.S. Treasury Notes with a term to maturity of 11.5 years of 5.65% as quoted on the Bloomberg Financial Market (the "Base Rate"). The Basic Rent percentages will be adjusted upward or downward by 8/10ths of a basis point (0.008%) for every basis point (0.01%) that the Base Rate has increased or decreased on the Determination Date and the adjusted Basic Rent Percentages will be attached as Schedule 2 to the Restated Schedule.

9. Basic Term Commencement Date shall be December 30, 1998.

10. Payment Dates: Each December 30 and June 30 during the Basic Term, commencing December 30, 1998.

11. Interim Term: Commencing on the date of delivery of a Lease Acceptance Certificate of the Equipment delivered thereunder and ending on the Basic Term Commencement Date.

12. Interim Rent: for the Equipment delivered under each Lease Acceptance Certificate, an amount equal to the sum of the product of the LIBOR rates as determined pursuant to the next sentence of this Section times the Total Equipment Cost of such Equipment, as calculated for each period set forth in in the following sentence. For the period beginning on the Acceptance Date for such Equipment and ending on the last calendar day of the month in which such Acceptance Date occurs, the LIBOR rate shall be the rate in effect 2 (two) Business Days prior to such Acceptance Date and shall be stated in the Lease Acceptance Certificate; and for each remaining month during the Interim term, the

LIBOR rate shall be the rate in effect on the first Business Day of each such month.

13. Stipulated Loss Value: for any date, the amount determined by multiplying (a) (i) during the Interim Term, 105% or (ii) during the Basic Term,the percentage set forth on the date next following the relevant Event of Loss (or, if a determination is being made under Section 25 of the Lease, next following such determination) in Schedule 3 to the Restated Schedule by (b) (i) if such determination is being made with respect to an Event of Loss, the Equipment Cost of each item of Equipment which has suffered an Event of Loss or (ii) if such determination is being made for purposes of Section 25 of the Lease, (x) the Total Equipment Cost listed in the Restated Schedule (or, if the Restated Schedule has not yet been delivered, in each Lease Acceptance Certificate delivered to date) minus (y) the Equipment Cost of any individual item of Equipment, if any, for which Stipulated Loss Value has been previously paid as a result of an Event of Loss.

    Stipulated Loss Value percentages for each Payment Date during the Basic Term shall be determined two Business days before the Basic Term Commencement Date using the same factors used to establish Basic Rent percentages and will be stated in Schedule 3 to the Restated Schedule.

14. Restated Schedule: On or about the Basic Term Commencement Date, the Lessor shall deliver a Restated Schedule to the Lessee, which will: (a) state the Total Equipment Cost for all of the Equipment subject to this Schedule; (b) restate the Acceptance Date and Total Equipment Cost of the Equipment funded under each of the respective Lease Acceptance Certificates; (c) restate in Schedules 1-A, 1-B, etc. (as needed) Schedule 1 delivered under each of the respective Lease Acceptance Certificates; (d) state in Schedule 2 thereto the Basic Rent percentages for all of the Equipment subject to this Schedule; and (e) state in Schedule 3 thereto the Stipulated Loss Value percentages for all of the Equipment subject to this Schedule. Schedules 2 and 3 to the Restated Schedule shall be calculated as provided above under Basic Rent and Stipulated Loss Value. Upon its delivery, the Restated Schedule shall supersede and replace this Schedule and each of the Lease Acceptance Certificates delivered hereunder and shall be the "Schedule" for all purposes of the Lease.

    The Lessor shall make such filings under Section 2(d) of Exhibit D-1 as it shall reasonably determine are necessary or prudent of or with respect to the Restated Schedule and shall cause the opinions described in Section 2(i) and (j) of Exhibit D-1 to be delivered to it with respect to the Restated Schedule. The Lessee shall cooperate with such filings as provided in Section 2(d) of Exhibit D-1.

    A chattel paper version of the Restated Schedule shall be created as provided in Section 19 hereof.

15. Renewal Option: as specified in Exhibit A to the Lease.

16. Purchase Option: as specified in Exhibit A to the Lease.

17. Minimum Liability Insurance Coverage to be carried by Lessee per section 13 of the Master Equipment Lease Agreement is $10,000,000.00 per occurrence.

18. **THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT.**

19. **THIS SCHEDULE ALONG WITH A CERTIFIED COPY OF THE MASTER EQUIPMENT LEASE AGREEMENT SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE. NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OF POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1 OF THIS SCHEDULE.**

Accepted by:

FIRST SECURITY BANK,N.A.,
not in its individual
capacity except as specifically
provided in the Lease, and otherwise
solely as Owner Trustee
(Lessor)

By: Val T. Orton

Name: Val T. Orton

Title: Vice President

Date:

MONTELL USA INC.
(Lessee)

By:

Name:

Title:

Date:

18. **THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT.**

19. **THIS SCHEDULE ALONG WITH A CERTIFIED COPY OF THE MASTER EQUIPMENT LEASE AGREEMENT SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE. NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OF POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1 OF THIS SCHEDULE.**

Accepted by:

FIRST SECURITY BANK,N.A., not in its individual capacity except as specifically provided in the Lease, and otherwise solely as Owner Trustee (Lessor)	MONTELL USA INC. (Lessee)
By:_____	By: Carol G. Illingworth
Name:_____	Name: C. G. ILLINGWORTH
Title:_____	Title: Manager, Rail Fleet
Date:_____	Date: October 28, 1998

Exhibit 1

LEASE ACCEPTANCE CERTIFICATE-[C]

Master Equipment
Lease Agreement-[C] dated
as of April 27, 1998

Lease Acceptance Certificate-[C] No. 1 dated April 27, 1998, executed and delivered under the Master Lease Agreement-[C] between First Security Bank, N.A., not in its individual capacity except as specifically provided in the Lease, and otherwise solely as Owner Trustee (Lessor) and MONTELL USA Inc. (Lessee) and the Schedule thereto. Capitalized terms used and not defined herein shall be given the meaning assigned in the Master Equipment Lease Agreement referred to above (the "Lease").

1. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment shown on Schedule 1 hereto which, among other things, (a) lists the Manufacturer, model number, serial number and other specifications of such Equipment and (b) states the individual Equipment Cost of such Equipment (including the freight cost). Lessee confirms that it has sole responsibility for inspecting such Equipment and satisfying itself that it is in the condition required by the relevant Purchase Agreement, that it has inspected the Equipment and so satisfied itself and has provided Lessor with copies of the acceptance documentation under which it has accepted the Equipment from the Manufacturer thereof.

2. The Total Equipment Cost of the Equipment delivered hereunder and listed in Schedule 1 hereto is $11,988,196.00. Concurrently with delivery of this Lease Acceptance Certificate, the Lessor has paid the Total Equipment Cost to the relevant Manufacturer(s).

3 LIBOR for purposes of determining the Interim Rent is ____% from the date hereof until the last day of the month in which this Lease Acceptance Certificate is delivered.

4. Lessee confirms that by its execution and delivery of this Lease Acceptance Certificate, Lessee hereby irrevocably accepts delivery of the Equipment listed in Schedule 1 hereto to it for purposes of the Lease.

IN WITNESS WHEREOF, the parties hereto have delivered this Lease Acceptance Certificate on the date first written above.

FIRST SECURITY BANK,N.A.,
not in its individual
capacity except as specifically
provided in the Lease, and otherwise
solely as Owner Trustee
(Lessor)

By: _____

Name: _____

Title: _____

MONTELL USA INC.
(Lessee)

By: _____

Name: _____

Title: _____

District of Columbia)
) ss:
City of Washington)

I, KIM L. BARTMAN, Notary for the District of Columbia, hereby certify that the attached "Lease Schedule-[C]", dated as of April 27, 1998 between FIRST SECURITY BANK, NATIONAL ASSOCIATION, not in its individual capacity except as specifically provided therein and otherwise solely as Owner Trustee, as Lessor, and MONTELL USA INC., as Lessee, is a true and complete copy of the original thereof.

Certified this 29th day of October, 1998.

Kim L. Bartman
NOTARY PUBLIC

My commission expires: 3-31-2000