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A T T O R N E Y S

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June 29, 1999

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

RECORDATION NO. 9792-I FILED

JUN 29 '99

11-15AM

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is an Instrument of Sublease Termination, a secondary document, dated June 21, 1999. The primary document to which this is connected is recorded under Recordation No. 9792. We request this document be recorded under Recordation No. 9792-I.

The names and addresses of the parties to the Instrument of Sublease Termination are:

Lessor:

Kennecott Corporation, formerly Kennecott Copper Corporation  
8315 West 3595 South  
Magna, UT 84044-6001

Lessee:

BC Rail Ltd.  
221 West Esplanade  
North Vancouver, BC Canada V7M 3J1

A description of the equipment covered by the Instrument of Sublease Termination consists of seven SD 40-2 locomotives numbered KCC 101-107, inclusive.

RECORD 9792-I

BALL JANIK LLP

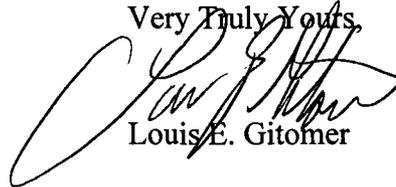
Honorable Vernon A. Williams  
June 29, 1999  
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A fee of \$26.00 is enclosed. Please return the original to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: an Instrument of Sublease Termination between Kennecott Corporation, formerly Kennecott Copper Corporation, 8315 West 3595 South, Magna, UT 84044-6001, and BC Rail Ltd., 221 West Esplanade, North Vancouver, BC Canada V7M 3J1, covering seven SD 40-2 locomotives numbered KCC 101-107, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosures

## INSTRUMENT OF SUBLEASE TERMINATION

JUN 29 '99

11-15AM

Kennecott Utah Copper Corporation, formerly known as Kennecott Copper Corporation ("Kennecott"), the Sublessor, and BC Rail Ltd. ("BC Rail"), the Sublessee, this 21st day of June, 1999, hereby give notice of the termination of the subleases of seven SD 40-2 locomotives numbered KLCC 101-107, inclusive (the "SD 40-2 Locomotives") under; (1) the Locomotive Sublease Agreement, dated as of October 22, 1986, between Kennecott and BC Rail (the "First Sublease"), which was recorded at the ICC on December 5, 1985 under Recordation Number 9792-D; and (2) the Locomotive Sublease Agreement, dated as of January 15, 1987, between Kennecott and BC Rail (the "Second Sublease"), which was recorded at the ICC on May 5, 1987 under Recordation Number 9792-F.

WHEREAS, Kennecott and BC Rail desire to execute this Instrument to evidence for the public record the termination of the Sublease and of all the rights and obligations of Kennecott and BC Rail with respect to the Locomotives under the First Sublease and the Second Sublease.

NOW, THEREFORE, in consideration of the premises, Kennecott and BC Rail do hereby acknowledge and confirm for the public record the termination of the First Sublease and the Second Sublease, and all rights and obligations arising under the First Sublease and the Second Sublease with respect to the Locomotives.

This Instrument of Sublease Termination may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Instrument of Sublease Termination.

IN WITNESS WHEREOF, Kennecott and BC Rail have executed or caused this Instrument to be executed as of the date first above written.

KENNECOTT CORPORATION

By: *J. Kume*Its: *Director Materials*

BC RAIL LTD.

By: *J. Belu*Its: *Chief Mechanical Officer*

PROVINCE

STATE OF ) BRITISH COLUMBIA

) ss.

County of ) CANADA

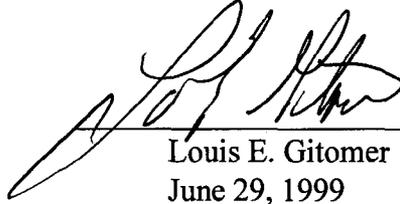
On this 21st day of June, 1999, before me, CAROL ANNE LEE the undersigned Notary Public, personally appeared J. SINGH BILLN, personally known to me to be the person who executed the within instrument as CHIEF MECHANICAL OFFICER on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

CA Lee

~~Notary Public for~~  
~~A Commissioner for taking Affidavits~~  
for British Columbia  
My commission expires MAY, 2000

**CERTIFICATION**

I, LOUIS E. GITOMER, have compared this copy to the original Instrument of Sublease Termination dated June 21, 1999, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



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Louis E. Gitomer  
June 29, 1999