RECORDATION NO. 8078 Filed & Recorded

OCT 14 1975 - 12 50 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Lease No. 90868

COUNTERPART

No. 4 of 7

EQUIPMENT LEASE dated as of July 29, 1975, between CHANDLER LEASING DIVISION, PEPSICO LEASING CORPORATION (hereinafter called "Lessor"), a Delaware corporation having a place of business at 101 Hartwell Avenue, Lexington, Massachusetts 02173, and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, (hereinafter called "Lessee"), a Delaware corporation having its principal place of business at 400 West Madison Street, Chicago, Illinois 60606.

In consideration of the mutual covenants hereinafter contained, Lessor and Lessee agree as follows:

1. Definitions. The following terms shall, unless the context otherwise requires, have the following meanings for all purposes of this Lease:

(a) "Equipment" means equipment of the type(s) described on Exhibit "A" attached hereto and made a part hereof, and owned or to be owned by Lessor and leased by Lessor to Lessee or ordered by Lessor for lease to Lessee as provided herein.

(b) "Acquisition Cost" of Equipment means an amount equal to the sum of (i) the purchase price of the Equipment paid or payable by Lessor, plus (ii) any excise, sales and use tax on or with respect to the Equipment, plus (iii) any expenses of installation and freight acceptable to Lessor and other expenses acceptable to Lessor which are required to effect delivery of the Equipment to Lessee.

(c) "Certificate of Inspection and Acceptance" means a certificate, substantially in the form attached hereto and marked Exhibit "B", to be executed by Lessee, and dated the date of Lessee's acceptance for lease hereunder of any Equipment delivered to Lessee.

(d) "Rental Schedule" means a schedule to be executed by Lessor and Lessee, substantially in the form attached hereto and marked Exhibit "C" setting forth a full description of Equipment to be leased hereunder, its location, Acquisition Cost, the amount of rent payable by Lessee with respect thereto, the lease term thereof, the Lease Commencement Date with respect thereto, and such other details as Lessor and Lessee may desire.

(e) "Casualty Occurrence" and "Stipulated Loss Value" shall have the meanings specified in Section 14 hereof.

(f) "Event of Default" shall have the meaning specified in Section 19 hereof.

(g) "Lease Commencement Date" with respect to a unit of Equipment means the date of the commencement of the lease term of such unit, and shall be the date such unit is accepted by Lessee for lease hereunder.

2. Agreement for Lease of Equipment. Lessor shall acquire and lease to Lessee and Lessee shall lease from Lessor Equipment having an aggregate Acquisition Cost of approximately Two Million, Six Hundred Fifty-Five Thousand dollars ($2,655,000.00) in the manner and upon the terms and conditions specified in this Equipment Lease, provided that the Equipment can be obtained. Lessee shall evidence its request to Lessor to order Equipment for lease to Lessee hereunder by executing and delivering a Rental Schedule for such Equipment to Lessor. Lessee's execution of such Rental Schedule shall obligate Lessee to lease the Equipment described therein from Lessor upon the acceptance of such Equipment by Lessee for lease hereunder. Anything hereinbefore or hereinafter to the contrary notwithstanding, (A) Lessor shall have no obligation (i) to acquire and lease to Lessee any unit of Equipment if, in Lessor's opinion, there is a material, adverse change in Lessee's financial condition from the financial condition of Lessee disclosed in the most current financial statements of Lessee submitted to Lessor on or prior to the date of this Lease, or if an Event of Default has occurred and is continuing hereunder,

or (ii) to acquire and lease to Lessee any unit of Equipment which has not been accepted by Lessee for lease hereunder by December 31, 1975, or any unit of Equipment the acquisition of which would cause the total aggregate Acquisition Cost of all Equipment leased or to be leased hereunder to exceed two million, six hundred fifty-five thousand dollars ($2,655,000.00), or (iii) to acquire and lease any unit of Equipment if each of the conditions specified in subparagraphs (a) through (g) of paragraph 2 of that certain Purchase Order Assignment, Assumption and Consent Agreement of even date herewith among Lessor, Lessee, Whitehead & Kales Co. and North Western Leasing Company have not been satisfied, or (iv) to accept any Rental Schedule from Lessee or to issue any purchase order for any such Equipment if, in Lessor's opinion, the benefits that would have been available to Lessor as the owner of such Equipment are adversely affected by any amendment(s) to the Internal Revenue Code of 1954, as amended, unless the rental provided for in Section 6 hereof is increased by an amount mutually agreed upon in writing, and (B) in the event that for any reason specified or referred to in clauses (i) through (iv) of this Section 2, Lessor fails to purchase any unit of Equipment Lessee shall indemnify Lessor from and against the payment of any and all liabilities, damages, causes of action, costs and expenses arising out of or resulting from the failure of Lessor to purchase any unit of Equipment as aforesaid.

3. Delivery and Acceptance. Lessor shall not be liable to Lessee for any failure or delay in obtaining any Equipment for delivery to Lessee. Upon acceptance for lease by Lessee of any Equipment delivered to Lessee and described in a Rental Schedule, Lessee shall execute and deliver to Lessor a Certificate of Inspection and Acceptance with respect to such Equipment. As between Lessor and Lessee, Lessee's execution of a Certificate of Inspection and Acceptance with respect to such Equipment shall constitute (a) Lessee's certification and acknowledgment that such Equipment (i) has been delivered to, and inspected by, Lessee, (ii) is of a size, design, capacity and manufacture acceptable to Lessee for lease hereunder, (iii) is suitable for Lessee's purposes, (iv) is in good working order, repair and condition, and has been installed to the satisfaction of Lessee, and (b) Lessee's unconditional acceptance of such Equipment for all purposes of this Lease. Subject to the provisions of Section 2 hereof, if Lessee fails to execute and deliver to Lessor a Certificate of Inspection and Acceptance within thirty (30) days following the delivery of the Equipment covered thereby, then, unless Lessee has, within such period, notified Lessor in writing that such Equipment is defective or is in unsatisfactory repair or working condition, it shall be conclusively presumed as between Lessor and Lessee that such Equipment has been unconditionally accepted by Lessee for lease hereunder as of the thirtieth (30th) day following its delivery to Lessee, with the same force and effect as if Lessee had, on such date, executed such Certificate of Inspection and Acceptance with respect thereto. In the event that the serial number for any unit of Equipment is not set forth in the Certificate of Inspection and Acceptance therefor, it shall be presumed that the serial number for such unit is the same as the serial number (if any) for such unit set forth on the vendor's invoice for such unit, and Lessee hereby authorizes Lessor to insert such serial number on the Certificate of Inspection and Acceptance for such unit.

4. NO WARRANTIES BY LESSOR. LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, HEREBY MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OF ANY KIND, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO: THE TITLE TO, OR CONDITION, DESIGN, QUALITY OR CAPACITY OF, ANY EQUIPMENT; THE MERCHANTABILITY OF ANY EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT OR LATENT DEFECTS. IN NO EVENT SHALL ANY DEFECT IN, OR UNFITNESS OF, ANY EQUIPMENT RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR TO MAKE ANY OTHER PAYMENTS REQUIRED HEREUNDER OR OF ANY OTHER OBLIGATION HEREUNDER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSOR SHALL NOT BE LIABLE FOR ANY DEFECTS, EITHER LATENT OR PATENT, IN ANY OF THE EQUIPMENT OR FOR ANY DIRECT OR CONSEQUENTIAL DAMAGE THEREFROM, AND SHALL NOT BE LIABLE TO LESSEE FOR LOSS OF USE OF ANY OF THE EQUIPMENT OR FOR ANY INTERRUPTION IN LESSEE'S BUSINESS OCCASIONED BY LESSEE'S INABILITY TO USE ANY OF THE EQUIPMENT FOR ANY REASON WHATSOEVER. Lessor

will assign or otherwise make available to Lessee for the lease term of any Equipment any warranty which has been extended to Lessor by the manufacturer and/or vendor of such Equipment and which Lessor has the right to so assign or otherwise make available to Lessee.

5. Lease Term. The lease term of each unit of Equipment shall commence on the Lease Commencement Date thereof and shall, unless sooner terminated pursuant to the provisions of Sections 14, 18 or 19 hereof, or extended for the additional period, if any, specified in this Lease, be for the number of full quarters set forth with respect to such Equipment on Exhibit "A" hereto, plus the number of days remaining in any partial first month if the Lease Commencement Date of such Equipment occurs on other than the first day of a month. If the Lease Commencement Date of any Equipment occurs on other than the first day of a calendar month, the first full quarter of the lease term of such Equipment shall commence on the first day of the next succeeding calendar month. Notwithstanding the foregoing, the provisions of Section 11 shall apply as between Lessor and Lessee with respect to any Equipment from the time the Equipment is ordered by Lessor. Lessee hereby authorizes Lessor to insert the Lease Commencement Date for any unit of Equipment on the Rental Schedule therefor when such unit has been accepted by Lessee for lease hereunder. The words "lease term" wherever used in this Lease shall include any agreed upon extension of the number of full quarters set forth in said Exhibit "A".

6. Rent. Lessee agrees to pay Lessor rent for each unit of Equipment from and inclusive of the Lease Commencement Date thereof and throughout the lease term thereof, as follows:

(a) For each full quarter (meaning for each full three month period) of the lease term specified on Exhibit "A" attached hereto, Lessee shall pay Lessor, quarterly in advance, on the first day of each such quarter, rent in an amount equal to the product derived by multiplying (i) the quarterly rent percentage figure set forth with respect to such Equipment on said Exhibit "A" by (ii) the Acquisition Cost of such Equipment.

(b) If the Lease Commencement Date of a unit of Equipment occurs on other than the first day of a month, Lessee shall pay Lessor rent for such partial first month in an amount obtained by dividing the amount of the monthly rent payable for such unit of Equipment by thirty (30) and multiplying the quotient by the number of days remaining in such partial first month, including the Lease Commencement Date, and such payment shall be made together with the payment of the first full quarter's rent for such unit of Equipment.

(c) If this Lease includes a Section providing for the optional extension by Lessee of the number of full months of the lease term specified on said Exhibit "A", then, if such extension occurs, Lessee shall pay Lessor as rent for such extended period, for all of the Equipment to which such extension pertains, the amount of rent specified in such Section, and at the times specified therein.

Lessee hereby authorizes Lessor to insert the partial first month's rent (if any) for a unit item of Equipment on the Rental Schedule therefor when such unit has been accepted by Lessee for lease hereunder. All rent shall be payable unconditionally without any deduction, counter-claim, set-off, further notice or demand, and together with all other payments due under this Lease shall be payable directly to Lessor at 101 Hartwell Avenue, Lexington, Massachusetts 02173, or at such other address or to such other party as Lessor may from time to time designate in writing.

7. Errors in Acquisition Cost. Subject always to the provisions of Section 2 hereof, in the event that at the time a unit of Equipment is accepted by Lessee for lease hereunder it becomes known that the actual Acquisition Cost of such unit differs from the Acquisition Cost figure for same inserted by Lessee on the Rental Schedule for such unit, Lessee hereby authorizes Lessor to make the necessary corrections in such Acquisition Cost figure and to also make any necessary adjustments or corrections necessitated thereby in the rent figures for such unit set forth on such Rental Schedule.

8. Lessee's Representations and Warranties. Lessee hereby represents and warrants to Lessor that on the date of this Lease and on the date of each Rental Schedule executed by Lessee pursuant hereto

(a) Lessee (i) is duly organized, validly existing and in good standing under the laws of the state indicated above, (ii) is qualified to do business in every jurisdiction in which such qualification is necessary, (iii) has the power and authority to own its properties and to carry on its business as now being conducted and to execute and perform this Lease, and (iv) has duly authorized the execution, delivery and performance of this Lease;

(b) this Lease constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms, and the execution, delivery and performance of the same by Lessee will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which Lessee is a party, or by or under which Lessee or any of Lessee's property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Lessee's property or assets;

(c) all balance sheets, statements of profit and loss and other financial data that have been delivered to Lessor with respect to Lessee (i) are complete and correct in all material respects, (ii) accurately present the financial condition of Lessee as of the dates, and the results of its operations for the periods for which, the same have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby; all balance sheets disclose all known liabilities, direct and contingent, as of their respective dates; and there has been no change in the condition of Lessee, financial or otherwise, since the date of the most recent financial statements delivered to Lessor with respect to Lessee other than changes in the ordinary course of business, none of which changes has been materially adverse;

(d) no mortgage, deed of trust, or other lien of any nature whatsoever which now covers or affects, or which may hereafter cover or affect, any property or interest therein of Lessee, now attaches or hereafter will attach to the Equipment leased hereunder or in any manner affects or will affect adversely Lessor's right, title and interest therein; and

(e) there are no suits or proceedings pending, or, to the knowledge of Lessee threatened, in any court or before any regulatory commission, board or other administrative governmental agency against or affecting Lessee, which will have a material adverse effect on the financial condition or business of Lessee.

9. Identification Marks. At or prior to the time of the delivery of any Equipment to Lessee by Lessor, Lessee shall, at Lessee's expense, cause to be plainly, distinctively, permanently and conspicuously stencilled upon such Equipment the following legend in letters not less than one inch in height: "PROPERTY OF CHANDLER LEASING DIVISION, PEPSICO LEASING CORPORATION, OWNER AND LESSOR", and Lessee shall keep and maintain such stencilling throughout the lease term of the Equipment. Lessee will deliver to Lessor with each Certificate of Inspection and Acceptance (i) a Certificate of Marking, in the form attached hereto and marked Exhibit "D", executed by Lessee, certifying that the Equipment has been marked as required under this Section 9, and (ii) a Certificate of Installation, in the form attached hereto and marked Exhibit "E", executed by an authorized representative of the manufacturer of the Equipment and of Lessee, certifying that the Equipment has been installed and marked as required under this Section 9. Lessee will not allow the name of any persons, association or corporation to be placed on any Equipment as a designation or as a claim of ownership other than that of

Lessor; provided, however, that Lessee may cause such Equipment to be lettered with the names or initials or other insignia customarily used by Lessee on equipment used by it of the same or a similar type for convenience or identification of its rights to use such Equipment as permitted under this Lease or normal advertising displays.

10. Fees and Taxes. Lessee agrees to pay promptly when due, and to indemnify and hold Lessor harmless from and against, (i) all license, title, registration and qualification fees whatsoever, (ii) all levies, assessments, imposts, duties, charges or withholdings whatsoever, and (iii) all taxes whatsoever (and any penalties, fines or interest thereon) however designated, by whomsoever payable, which are assessed, levied or payable with respect to any Equipment or the purchase, sale, ownership, delivery, leasing, possession, use, operation, control, return or other disposition thereof, or with respect to the rents, receipts or earnings arising therefrom, or with respect to this Lease, excepting only any federal, state or local taxes levied on Lessor's net income, as net income is presently determined under the Federal Internal Revenue Code. In the event any such fees, levies, imposts, duties, charges or taxes are paid by Lessor, or if Lessor be required to collect or pay any thereof, Lessee shall reimburse Lessor therefor, plus any penalties, fines or interest thereon, promptly upon demand. Lessee covenants and agrees that it will file all personal property tax returns covering the Equipment, and will pay the personal property taxes levied or assessed thereon directly to the taxing authority. Lessee's obligations under this Section 10 shall not be affected by any termination of this Lease or of the lease term of any Equipment leased hereunder. Lessee shall have the right, at its sole cost and expense, upon written notice to Lessor, to contest any taxes, fees, levies, imposts, assessments, duties, charges or withholdings so assessed levied or imposed (and any penalties, fines or interest thereon), provided such contest is made in good faith, on advice of counsel, and does not subject any of the Equipment to seizure, sale, forfeiture or foreclosure (or, unless, if it does subject any of the Equipment to seizure, sale, forfeiture or foreclosure, Lessee takes such action as may be necessary to forestall or stay any such seizure, sale, forfeiture or foreclosure) and provided further that at the time of such contest no Event of Default has occurred and is continuing hereunder. If, as a condition precedent to such contest, Lessor is required by law or regulations to pay, in whole or in part, such taxes, fees, levies, imposts, assessments, duties, charges or withholdings being contested, it is understood and agreed that Lessor shall do so and that Lessee shall promptly reimburse Lessor for such payment. Any refund subsequently received by Lessor as a result of any such contest shall be remitted by Lessor to Lessee to the extent that Lessee had previously paid such amount to Lessor.

11. Indemnification by Lessee. Lessee agrees to indemnify and hold Lessor harmless from and against any and all claims, demands, liabilities, losses, damages and injuries, of whatsoever kind, and all fees (including attorneys' fees), costs, expenses, penalties and interest, relating to, resulting from, or in any way arising out of

(a) Lessor's purchase, acquisition and ownership of, and title to, any Equipment;

(b) the delivery, installation, possession, maintenance, condition (including, without limitation, latent and other defects whether or not discoverable by Lessor) use, operation, control, loss, damage, destruction, removal (whether or not by Lessor), return, repossession, storage, surrender, sale or other disposition of any Equipment;

(c) any accident in connection with the delivery, installation, possession, operation, use, condition, control, removal (whether or not by Lessor) return or storage of any Equipment resulting in loss or destruction of, or damage to, property, or injury to or death of any person;

(d) all costs, charges, damages or expenses for royalties and/or claims and expenses of litigation, arising out of or in any way connected with the assertion of any claim or demand based upon any infringement or alleged infringement of any patent, trademark, or other right, by or in respect of any Equipment; and

(e) strict liability in tort.

The indemnification by Lessee under this Section 11 shall not be affected by any termination of this Lease, or of the lease term of any Equipment leased hereunder, but with respect to the matters referred to in subsections (a), (b), (c) and (e) above, shall be limited to those claims, demands, liabilities, losses, damages, injuries, fees, costs, expenses, penalties and interest which occur or accrue prior to any such termination or prior to the return of the Equipment to Lessor, whichever last occurs.

12. Use of Equipment. Lessee represents, warrants and agrees that the Equipment will at all times be used and located within the continental United States (except for occasional use in Canada and Mexico) and will at all times be used and operated under and in compliance with all insurance policy conditions, and with all applicable laws, ordinances, rules, regulations and requirements of any governmental body and of any regulatory authority pertaining to the use and operation of the Equipment. Lessee shall not permit any liens, charges or encumbrances to be placed on or levied against the Equipment other than liens, charges or encumbrances placed thereon by Lessor or by persons claiming against Lessor but not against Lessee. Lessee agrees to procure and maintain in effect all licenses, certificates, permits, approvals and consents required by federal, state, county and municipal laws and regulations and/or by any regulatory body or agency, in connection with the delivery, installation, possession, use, operation, maintenance and return of the Equipment. Lessee shall be entitled to the use of the Equipment upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation, a majority of whose voting stock (i.e., having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by Lessee, or upon lines of railroad over which Lessee or such corporation has trackage or other operating rights or over which equipment of Lessee is regularly operated pursuant to contract, and also to permit the use of the Equipment upon connecting and other carriers in the usual interchange of traffic and equipment, but only upon and subject to all the terms and conditions of this Lease. Lessee may receive and retain compensation for such use from other railroads so using any of the units of Equipment. Notwithstanding the foregoing or anything hereinafter provided, Lessee will not assign any unit of Equipment to service including the regular operation and maintenance thereof outside the United States of America.

So long as no Event of Default under this Lease has occurred and is continuing Lessee, upon prior written consent of Lessor, which consent shall not be unreasonably withheld, shall be entitled to sublease the Equipment to any railroad corporation incorporated under the laws of any state of the United States of America or the District of Columbia; provided, however, that Lessee shall be entitled to sublease the Equipment for periods of no longer than sixty (60) days without the written consent of Lessor; provided, further that the rights of any such sublessee are made expressly subject to and subordinate to the rights and remedies of Lessor under this Lease and such sublease shall not alter in any way Lessee's obligations to Lessor, which obligations shall be and remain primary, direct, and those of a principal and not a guarantor.

Nothing in this Section 12 shall be deemed to restrict the right of Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed all of the obligations, accrued and executory, of Lessee hereunder) into or with which Lessee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the lines of the railroad of Lessee, provided that such assignee(s), successor(s) or transferee(s) will not, upon the effectiveness of such merger or consolidation or acquisition of properties, be in default under any provision of this Lease and provided always that such merger or consolidation or acquisition of properties shall not alter in any way any of Lessee's obligations, accrued and executory, to Lessor hereunder, which shall be and remain primary, direct and that of a principal and not a guarantor.

Except as specifically permitted above, Lessee agrees that without Lessor's prior written consent Lessee will not assign or transfer any of its rights or obligations under this Lease, or sublease any of the Equipment or remove or (except only for the reason specified in Section 19 (a) (viii) hereof) permit any of the Equipment to be removed from the location specified in the Rental Schedule for such Equipment, or permit any Equipment to be used by anyone other than Lessee or Lessee's authorized employees.

13. Improvement, Maintenance and Repair of Equipment. Lessee will, at its sole expense, at all times during the lease term of all Equipment leased hereunder and until such Equipment has been returned to Lessor pursuant to the provisions of Section 17 or 19 hereof, whichever is applicable (a) maintain the Equipment in good and safe operating order, repair and condition, and in accordance with the requirements of any federal, state, county, municipal, regulatory or other authority, having jurisdiction thereof, and (b) pay for all fuel, service, inspection, overhauls, replacements, substitutions, materials and labor necessary or desirable for the proper use, repair, operation and maintenance of the Equipment. Lessee, at its sole cost and expense, may modify and make additions and improvements to the Equipment, provided that (i) such modifications, additions or improvements do not eliminate the multi-use capabilities of the Equipment, or reduce the value or utility of the Equipment or impair the certification, performance, safety, quality, capability, use or character of the Equipment, and (ii) Lessee promptly notifies Lessor in writing of the nature of any such modifications, additions and improvements. If no Event of Default has occurred or is continuing hereunder, Lessee may, upon the expiration or termination of the lease term of any unit of Equipment to which any such additions, modifications or improvements have been made, retain such additions, modifications or improvements if the same can be removed from such unit without damaging or impairing the value of such unit and without changing the original intended function, capability and character of such unit. If the conditions specified in the preceding sentence have been satisfied and Lessee has removed any such additions, modifications or improvements with respect to any unit of Equipment, Lessee shall restore such unit of Equipment to its original condition as of the Lease Commencement Date with respect thereto, reasonable wear and tear only being excepted. If the conditions specified in the second preceding sentence have not been so satisfied, such additions, modifications or improvements shall become the property of Lessor, and Lessee shall, upon the request of Lessor and at Lessee's expense, remove the same and restore such unit of Equipment as provided in the preceding sentence.

14. Loss, Damage or Destruction of Equipment. Lessee shall bear all risks of damage to, or loss or destruction of, any Equipment during the lease term thereof and until such Equipment has been returned to Lessor pursuant to the provisions of Section 17 or 19 hereof, whichever is applicable, and, in the case of a return of the Equipment to Lessor pursuant to the provisions of Section 17 hereof, until the expiration of the ninety (90) day period specified therein. No such damage to, or loss or destruction of, any Equipment, shall impair any obligation of Lessee to Lessor under this Lease, including, without limitation, the obligation to pay rent. In the event that any unit of Equipment shall become lost, stolen, destroyed or irreparably damaged from any cause whatsoever, or if any unit of Equipment or Lessor's title thereto shall be requisitioned or seized by any governmental authority (each such occurrence being hereinafter called a "Casualty Occurrence") during the lease term of such unit and until such unit has been returned to Lessor in accordance with the provisions of Section 17 or 19 hereof, whichever is applicable, Lessee shall promptly notify Lessor in writing of such fact, fully informing Lessor of all details with respect thereto, and on the last day of the quarter in which such Casualty Occurrence has taken place, Lessee shall pay Lessor an amount equal to the sum of (i) the Stipulated Loss Value, as hereinafter defined, of such unit of Equipment as of the last day of such quarter plus (ii) all accrued and unpaid rent payable for such unit of Equipment through the last day of such quarter plus (iii) any other amounts owing by Lessee hereunder with respect to such unit of Equipment, whether as additional rent, indemnification or

otherwise. Upon the making of such payment by Lessee in respect to any unit of Equipment, the rent for such unit shall cease to accrue as of the date of such payment, the lease term of such unit shall terminate, and all of Lessor's title to and rights in such unit shall automatically pass to Lessee. Any insurance proceeds received as the result of a Casualty Occurrence with respect to a unit of Equipment shall be applied first in reduction of any then unpaid obligation of Lessee to Lessor hereunder and secondly in reduction of Lessee's obligation to pay the Stipulated Loss Value for such unit, if not already paid by Lessee to Lessor, or, if already paid by Lessee, to the reimbursement of Lessee for its payment of such Stipulated Loss Value, and the balance of the insurance proceeds, if any, shall be paid to Lessee, if Lessee is not then in default hereunder. In the event that a unit of Equipment has been damaged, but not irreparably, Lessor shall, if no Event of Default has occurred and is continuing hereunder, release to Lessee the proceeds of any insurance received by Lessor as a result of such damage for the purpose of reimbursing Lessee for the costs of repairing or restoring such unit, upon receipt by Lessor of evidence, satisfactory to Lessor, that such repair or restoration has been completed, and an invoice therefor.

The Stipulated Loss Value of any unit of Equipment as of the last day of any quarter during (and after) the lease term thereof shall be an amount equal to the product derived by multiplying (i) the percentage figure opposite the particular numbered quarter set forth in the applicable Schedule of Stipulated Loss Values attached hereto by (ii) the Acquisition Cost of such unit of Equipment. The applicable Schedule of Stipulated Loss Values for a unit of Equipment shall be that Schedule containing references to the type and lease term of such Equipment.

15. Annual Reports. On or before February 1 in each year, commencing with the February 1 next following the date hereof, Lessee will cause to be furnished to Lessor an accurate statement, as of the preceding January 1, (a) showing the amount, description and identifying numbers of all units of Equipment that may have suffered a Casualty Occurrence during the preceding twelve (12) months (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition and state of repair of such units as Lessor may reasonably request, and (b) certifying that all units of Equipment have been marked as required by Section 9 hereof, and (c) certifying that all units of Equipment either continue to remain installed on the same railroad flatcars on which they were originally installed, as specified on the Rental Schedules therefor, or, if installed on different railroad flatcars, certifying as to the particular railroad flatcars (by reporting marks and car numbers) on which such units are then installed. Lessor shall have the right at its sole cost and expense, by its authorized representatives upon reasonable notice to Lessee, to inspect the units of Equipment and Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of this Lease.

16. Insurance. Lessee will procure and maintain, at its sole cost and expense, at all times during the lease term of any Equipment, and until such Equipment has been returned to Lessor in accordance with the provisions of Section 17 or 19, whichever is applicable (and, in the case of the return of such Equipment to Lessor pursuant to the provisions of Section 17 hereof, until the expiration of the ninety (90) day period specified therein), with reputable insurers acceptable to Lessor, the following insurance coverages: (a) public liability and property damage insurance insuring against liability for death, bodily injury and property damage resulting from ownership, possession, maintenance, use and operation of the Equipment, in an amount not less than one million dollars ($1,000,000.00) for each accident, in the case of bodily injury or death resulting therefrom, and one million dollars ($1,000,000.00) for each accident, in the case of property damage; and (b) insurance in an amount not less than the Stipulated Loss Value (hereinbefore defined) of each unit of Equipment leased hereunder, insuring against loss and/or damage to such Equipment arising out of any risk covered by fire, theft, windstorm, explosion, and extended coverage, and against such other risks as Lessor may, from time to time, reasonably deem to be necessary. The insurance

policies evidencing the coverages required under clause (a) above shall name Lessor as an additional insured, as its interests may appear, and the insurance policies evidencing the coverages required under clause (b) above shall name Lessor (and any assignee of Lessor, if requested by such assignee) as the sole loss payee, so that the insurance proceeds payable under such policies with respect to the Equipment shall be payable solely to Lessor (and/or to any such assignee of Lessor). All such insurance policies shall also provide that same will not be invalidated as against Lessor (or as against any assignee of Lessor) because of any violation of a condition or warranty of the policy or application therefor by Lessee, and that same may only be materially altered (including a reduction in the amount of the coverages, or a modification of the coverages, specified therein) or cancelled by the insurer after thirty (30) days prior written notice thereof has been given to Lessor and to any assignee of Lessor. Lessee shall deliver to Lessor, prior to the Lease Commencement Date of any unit of Equipment (or at such other time or times as Lessor may request) a certificate or other evidence of the procurement and maintenance of all such insurance satisfactory to Lessor; provided however, that Lessor shall be under no duty to examine such certificate or other evidence of insurance, or to advise Lessee in the event that its insurance is not in compliance with this Lease. In the event of failure on the part of Lessee to provde and furnish any of the aforesaid insurance, Lessor may procure such insurance and Lessee shall, upon demand, reimburse Lessor for all expenditures made by Lessor for such insurance, together with interest thereon computed at the rate of twelve percent (12%) per annum (or the maximum per annum rate of interest permitted by law, whichever is less) from the date of Lessor's payment until reimbursed by Lessee. Anything hereinbefore to the contrary notwithstanding, on a cumulative, combined basis per accident or occurrence, Lessee may self-insure for up to the first two million dollars ($2,000,000.00) of the risks covered by the insurance coverages specified in clauses (a) and (b) above.

17. Return of Equipment. Lessee will furnish Lessor with written notice not less than one (1) year prior to the expiration of the original lease term (as specified on said Exhibit "A" attached hereto) of each unit of Equipment leased hereunder, and written notice not less than six (6) months prior to the expiration of any extension (specified in Section 25 hereof) of said original lease term of each unit of Equipment leased hereunder, specifying in such notice whether Lessee will, upon the expiration of said original (or extended, in the case of any renewal) lease term, (i) exercise its purchase option under Section 24 hereof, or (ii) extend the lease term under Section 25 hereof, or (iii) return such Equipment to Lessor pursuant to the provisions of this Section 17. If Lessee elects to return such Equipment to Lessor (or in the case of a termination of the lease term of any Equipment as a result of the occurrence of an Event of Default hereunder) Lessee will, upon the expiration of the lease term of such Equipment (or upon a termination thereof as the result of the occurrence of an Event of Default hereunder), forthwith surrender and return possession of such Equipment to Lessor (a) in its original condition as of the Lease Commencement Date therefor, reasonable wear and tear only being excepted, and (b) maintained in the order, repair and condition specified in Section 13(a) hereof. Lessee shall, at its sole cost and expense, (i) remove each unit of Equipment from the railroad flatcar on which it then may be installed, (ii) properly prepare and assemble such Equipment for return to Lessor, and ship such Equipment by common carrier, with insurance and freight prepaid by Lessee, to a place at the easterly most point of Lessee's railroad system, which point shall be no further west than Chicago, Illinois. Lessor shall have the right for a period of not less than ninety (90) days following the arrival of such Equipment at such place of return to permit such Equipment to remain at such place, for the purpose of the inspection of such Equipment by, and/or the consummation by Lessor of the sale, lease or other disposition of such Equipment to, prospective purchasers, lessees or users of such Equipment, and if such premises are owned, leased or rented by Lessee, Lessor shall have no liability for the payment of any rent or other amount for the Equipment remaining on such premises during said ninety (90) day period; provided, however, that Lessee shall not be liable, except in the case of the negligence or wanton or willful acts of Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser, the right of inspection granted under this sentence.

18. Lessor's Ownership; Equipment to be and Remain Personal Property. Lessee acknowledges and agrees that it has not, and by the execution of this Lease it does not have or obtain, and by payments and performance hereunder it does not and will not have or obtain, any title to the Equipment, nor any property right or interest, legal or equitable, therein, except its rights as Lessee hereunder and subject to the terms hereof. It is expressly understood that all of the Equipment shall be and remain personal property notwithstanding the manner in which the Equipment may be attached or affixed to any railraod flatcars or to any realty, and that upon the expiration or other termination of the lease term of any Equipment Lessee shall have the obligation, and Lessor shall have the right, to remove, or to cause the removal of, such Equipment, from the railroad flatcars or from any premises whereon the same is located, for return to Lessor pursuant to the provisions of Section 17 hereof, whether or not any such Equipment is affixed or attached to such railroad flatcars or to the realty or to any building, and, in the exercise of its said right, Lessor shall not be liable for any damage caused to such railroad flatcars, such realty or any such building occasioned by any removal of the Equipment therefrom by Lessor or its agents. Lessee further covenants and agrees that Lessee will, at the request of Lessor, obtain and deliver to Lessor concurrently with the execution and delivery of each Certificate of Inspection and Acceptance, (and thereafter if, as and when any unit of Equipment is removed from a railroad flatcar on which same has been installed and is installed on another railroad flatcar) a waiver from the owner and from any lessor and lessee (excluding Lessee) of, and a release or disclaimer from the holder of any lien or encumbrance on, any such railroad flatcar, or such realty or building(s), in, on or to, which any of the Equipment described in each such Certificate of Inspection and Acceptance is located, installed, attached or affixed, under which such owner, lessor, lessee and holder agrees and consents that such Equipment is and will remain personal property, owned by and removable by Lessor upon the expiration or termination of the lease term thereof, and such holder further releases or disclaims any security interest in such Equipment. If Lessee is unable to return, or is prevented from returning, any Equipment to Lessor upon the expiration or termination of the lease term thereof as required under Section 17 hereof, for any reason whatsoever, including, but not limited to, the assertion by any third party of any claim against such Equipment, or of any right with respect thereto, whether or not resulting from the manner in which such Equipment is affixed or attached to, or installed on or in, such railroad flatcars or such realty or any building(s) thereon, or from the failure of any owner, lessor, lessee of such railroad flatcars or such realty (or the building(s) thereon) or the holder of any lien or encumbrance thereon, to execute the waiver, release or disclaimer hereinbefore referred to, then, in any such event, Lessee shall forthwith notify Lessor in writing of such fact, such Equipment shall, for all purposes of this Lease, be deemed to have been the subject of a Casualty Occurrence, and Lessee shall pay Lessor the amounts provided in Section 14 hereof, with respect to such Equipment, at the time, in the manner, and with the consequences provided in such Section.

19. Events of Default.

(a) The occurrence of any of the following events shall constitute an Event of Default hereunder:

(i) default in the payment of any rent hereunder;

(ii) default in the payment of any obligation, other than rent, provided for in this Lease, and the continuance of such default for more than five (5) days after written notice thereof to Lessee;

(iii) default in the observance and/or performance by Lessee of any other covenant, condition and agreement on the part of Lessee to be observed and/or performed under this Lease and the continuance of such default for thirty (30) days after written notice from Lessor to Lessee specifying the default and demanding the same to be remedied;

(iv) any representation or warranty made by Lessee herein or made by Lessee or by any officer of Lessee in any letter, document or certificate executed and furnished to Lessor in connection herewith or pursuant hereto shall at any time be untrue, breached or not performed by Lessee;

(v) Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of Lessee's rights and obligations hereunder, or Lessee shall make or permit any unauthorized sublease or transfer of any Equipment, or of the possession of same;

(vi) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against the Lessee and (unless such petition shall have been dismissed, nullified, or otherwise rendered ineffective within sixty (60) days of such filing) all the obligations, accrued and executory, of Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings within thirty (30) days after such appointment or sixty (60) days after such petition shall have been filed, whichever shall be earlier; or any other bankruptcy, reorganization, insolvency, debt arrangement, receivership, liquidation or dissolution proceedings shall be commenced by or against Lessee and, if instituted against Lessee, shall not be discharged or dismissed within sixty (60) days thereafter; or Lessee shall make an assignment for the benefit of its creditors, or become insolvent or admit in writing its inability to pay its debts as they mature, or Lessee's corporate existence shall terminate;

(vii) any obligation of Lessee for the payment of borrowed money or for the leasing of land, buildings or assets, or for the acquisition of assets by conditional sale or similar arrangement, shall (after the expiration of all applicable grace periods) be declared to be due and payable prior to the stated maturity thereof by reason of default or other violation of the terms of any promissory note, loan agreement, indenture, lease or other agreement evidencing or governing any such obligation, and such default or violation is not then being contested by Lessee in good faith, on advice of counsel, and by appropriate proceedings duly commenced and diligently pursued; or

(viii) (a) the termination or cancellation in whole or in part, of the Form A Car Contract between Trailer Train Company, a Delaware Delaware corporation, of Chicago, Illinois ("Trailer Train") and Lessee dated as of June 1, 1972, as amended and/or supplemented from time to time, the effect of which is to cause a termination or cancellation of the use by Lessee of any railroad flatcar on which any unit of Equipment leased hereunder has been installed, prior to the expiration or termination of the lease term of such unit hereunder and/or the effect of which is to require the removal of any unit of Equipment from any such railroad flatcar, or (b) the termination or cancellation of any lease or other contract between Trailer Train and any other party, with respect to any such railroad flatcar not owned by Trailer Train, and on which any unit of Equipment leased hereunder has been installed, the effect of which is to cause a termination or cancellation of the use by Lessee of such flatcar prior to the expiration or termination of the lease term of such unit hereunder and/or the effect of which is to require the removal of any unit of Equipment from any such railroad flatcar, or (c) Lessee is prevented from using, or is denied the use of, any railroad flatcar (whether or not owned by Trailer Train) on which any unit of Equipment leased hereunder has been installed, prior to the expiration or termination of the lease term of such unit hereunder, as the result of any act or acts on the part of Lessee, Trailer Train, or any such other party referred to in clause (b) above, and Lessee fails, within sixty (60) days after the occurrence of any of said events specified in clauses (a) or (b) or (c) hereof, (i) to cause each such unit of Equipment to be installed on another railroad flatcar as to which Lessee has the free and unencumbered use, and (ii) to cause the execution and delivery to Lessor at such time of the waiver referred to in Section 18 hereof, or (d) the term of the lease of any railroad flatcar on which a unit of Equipment is then installed (whether or not such lease is a lease referred to in (b) above) terminates for any reason prior to the removal of such unit of Equipment therefrom and Lessee, after being requested to remove such unit of Equipment therefrom by the owner, lessee or holder of any security interest in such railroad flatcar, fails to remove such unit of Equipment within the period of time designated or permitted for such removal by such owner, lessee or holder; or

(ix) the failure of Lessee, by September 1, 1975, to perform its obligations, and to cause its wholly-owned subsidiary North Western Communications, INc. ("NWC") to perform NWC's obligations, set forth in that certain letter agreement of even date herewith among Lessor, Lessee and NWC, an executed counterpart of which is attached hereto and made a part hereof.

(b) Upon the occurrence of any such Event of Default, Lessor may, at its option, exercise any one or more of the following rights:

(1) declare, by written notice to Lessee, the entire amount of rent remaining to be paid over the balance of the lease term of all Equipment then leased hereunder, computed from the date of the occurrence of any such Event of Default (and discounted to its then present value at the rate of six percent (6%) per annum) to be immediately due and payable, whereupon the payment of such amount shall be so accelerated and such amount shall be payable by Lessee forthwith;

(2) proceed by appropriate court action or actions at law or in equity or in bankruptcy to enforce performance by Lessee of the covenants and terms of this Lease and/or to recover damages for the breach thereof;

(3) repossess any or all Equipment wherever found, without prejudice to Lessor's rights under Section 17 hereof or to any remedy or claim referred to in this Section 19, with or without legal process, and without notice to Lessee, and for this purpose Lessor and/or its agents may enter upon any premises of or under the control or jurisdiction of Lessee or any agent of Lessee without liability for suit, action or other proceeding by Lessee (any damages occasioned by such repossession being hereby expressly waived by Lessee) and remove the Equipment therefrom, LESSEE HEREBY CONSENTING TO SUCH REPOSSESSION AND WAIVING ANY RIGHT TO NOTICE OR A HEARING OF ANY KIND PRIOR TO SUCH REPOSSESSION;

(4) repossess any or all Equipment, without prejudice to Lessor's rights under Section 17 hereof or to any remedy or claim referred to in this Section 19, by directing Lessee in writing to remove such Equipment from any railroad flatcar on which the same may then be installed, to assemble such Equipment and to deliver the same to Lessor at any place or places at which Lessee then maintains facilities for the maintenance or storage of property similar to such Equipment or to any other place or places which may be reasonably convenient to Lessee and Lessor, in which event Lessee shall, at its sole expense, forthwith cause such Equipment to be so removed, assembled, moved to the place or places so designated by Lessor and there delivered to Lessor, it being agreed (i) that Lessee's obligation so to remove, assemble and deliver such Equipment is of the essence of this Lease and that, upon application to a court of equity having jurisdiction, Lessor shall be entitled to a decree requiring specific performance by Lessee of such obligation, and (ii) that Lessor may, without charge, keep any of such Equipment repossessed by Lessor pursuant to this clause on the premises of Lessee, pending further action by Lessor as provided in this Section 19;

(5) with respect to any or all Equipment repossessed by Lessor pursuant to subparagraph (3) or (4) above, and/or returned to Lessor pursuant to Section 17 hereof, elect to sell any or all such Equipment at one or more public or private sales, or elect to lease any or all such Equipment, by giving, in either case, written notice to Lessee to such effect, whereupon Lessee shall be liable for, and Lessor may recover from Lessee as liquidated damages for Lessee's default hereunder, and not as a penalty, an amount equal to the amount, if any, by which (A) the sum of (i) the aggregate Stipulated Loss Value of such Equipment as of the last day of the quarter in which such written notice is given by Lessor to Lessee, plus (ii) all unpaid rent owing hereunder for such Equipment for each quarter to and including the last day of the quarter in which such written notice is given by Lessor to Lessee, plus (iii) all costs, expenses and damages incurred by Lessor in locating, removing, repossessing,

repairing, reconditioning, restoring and selling or leasing such Equipment, plus (iv) all other amounts owing by Lessee hereunder, whether as additional rent, indemnification or otherwise, plus (v) all costs and expenses, including, without limitation, attorneys' fees and expenses, and fees and expenses of collection agencies, incurred by Lessor as a result of Lessee's default hereunder, exceeds (B) the amount (discounted to present value at the rate of six percent (6%) per annum, if Lessor leases such Equipment) received by Lessor from such public or private sales, or such leases, of such Equipment;

(6) upon written notice to Lessee receive prompt payment from Lessee of an amount equal to the sum of the aggregate Stipulated Loss Value as of the last day of the quarter in which such written notice is given of (a) any or all Equipment which has not been repossessed by Lessor pursuant to subparagraph (3) or (4) above, and/or not returned to Lessor pursuant to Section 17 hereof, for any reason, and has not been sold or leased by Lessor pursuant to subparagraph (5) above, for any reason, and (b) any or all Equipment which has been repossessed by Lessor pursuant to said subparagraph (3) or (4) above, and/or returned to Lessor pursuant to Section 17 hereof, but which has not been sold or leased by Lessor pursuant to said subparagraph (5) above, for any reason, plus, to the extent not otherwise recovered from Lessee pursuant to subparagraph (5) above, (i) any unpaid rent owing hereunder to and including the last day of the quarter in which such written notice is given, plus (ii) all costs, expenses and damages incurred by Lessor in locating, removing, repossessing, storing, repairing, reconditioning and restoring such Equipment, plus (iii) all other amounts owing by Lessee hereunder, whether as additional rent, indemnification or otherwise, plus (iv) all costs and expenses, including, without limitation, attorneys' fees and expenses, and fees and expenses of collection agencies, incurred by Lessor as a result of Lessee's default hereunder; provided that upon receipt of payment in full of such amount, Lessor shall transfer to Lessee, on an as-is, where-is basis, and without any representation or warranty of any kind, express or implied, whatever title to such Equipment Lessor may have, and free from any liens or encumbrances placed thereon by Lessor or by persons who are claiming solely against Lessor but not against Lessee;

(7) without prejudice to any remedy or claim referred to in this Section 19, elect to hold or use, for any purpose whatsoever, any Equipment repossessed by Lessor pursuant to said subparagraph (3) or (4) above, and/or returned to Lessor pursuant to Section 17 hereof, including, without limitation, any holding of such Equipment for the purposes of sale or lease referred to in said subparagraph (5) above;

(8) by written notice to Lessee declare this Lease terminated, without prejudice to any other rights, remedies or claims of Lessor referred to in this Section 19; or

(9) avail itself of any other remedy or remedies provided for by any statute or otherwise available at law, in equity or in bankruptcy or insolvency proceedings.

The remedies herein set forth or referred to shall be cumulative and not exclusive. The references to unpaid rent in subparagraphs (5) and (6) of this paragraph (b) shall each include, without limitation, interest (at the applicable rate specified in Section 23.1 hereof) to the date of receipt by Lessor of the amounts payable under said subparagraph (5) or (6), on installments of rent owing hereunder from the respective due dates of such installments, and interest on all other costs, expenses and losses for which Lessor is entitled to payment under said subparagraph (5) or (6) from the respective dates that such costs, expenses and losses have been incurred by Lessor and to the date of receipt by Lessor of the amounts payable therefor under said subparagraph (5) or (6).

In the event that any court of competent jurisdiction determines that any right, remedy or claim of Lessor under this paragraph (b) is invalid or unenforceable in whole or in part, such determination shall not prohibit Lessor from establishing its damages sustained as a result of the occurrence of any Event of Default under this Lease in any action or proceeding in which Lessor seeks to recover such damages. Any repossession, sale or leasing of any Equipment shall not bar an action for damages for breach of this Lease, as hereinbefore provided, and the bringing of an action or the entry of judgment against Lessee shall not bar Lessor's right to repossess any or all Equipment.

20. Assignment and Mortgage; Quiet Enjoyment. Lessor may assign this Lease, and may grant a mortgage on, or security interest in, any Equipment to any such assignee, in whole or in part, without notice to, or the consent of, Lessee. Each such assignee shall have all of the rights but none of the obligations of Lessor under this Lease and Lessee shall, upon receipt of written notice thereof, recognize each such assignment and mortgage or security interest and shall accept and comply with the directions or demands given in writing by any such assignee, provided that such directions or demands do not impose upon Lessee any greater obligations or duties than if such directions or demands were given by Lessor to Lessee pursuant to this Lease. Lessee shall not assert against such assignee any defense, counter-claim or set-off that Lessee may have against Lessor. However, nothing herein shall relieve Lessor from its obligations to Lessee hereunder. After any such assignment this Lease may not be amended or modified without the prior written consent of any such assignee. Upon any assignment of this Lease or the granting of any mortgage on, or security interest in, any of the Equipment, Lessor or its assignee may record any instruments relating to the assignment, mortgage, or security interest desired by Lessor or such assignee in accordance with the laws of appropriate jurisdictions. So long as no Event of Default has occurred and is continuing hereunder, Lessee shall be entitled to the quiet use, possession and enjoyment of the Equipment in accordance with the terms and conditions of this Lease; provided, however, that Lessor shall not be deemed to be in breach of its said covenant of quiet use, possession and enjoyment as to any unit of Equipment if Lessee's use, possession and enjoyment of such unit is prevented as a result of such unit having become the subject of a Casualty Occurrence.

21. Recording and Filing; Expenses. Lessee will, upon demand of Lessor, at Lessee's sole cost and expense, execute, acknowledge, deliver, file, register, record and deposit (and will re-file, re-register, re-record or re-deposit whenever required) any and all further instruments required by law in the United States or requested by Lessor (or any assignee of Lessor) including, without limitation, financing statements under the Uniform Commercial Code (which, notwithstanding the intent of Lessor and Lessee that this is a true lease, Lessor shall have the right to file wherever and whenever Lessor requires), for the purpose of proper protection to the satisfaction of Lessor (and/or of Lessor's assignee), of Lessor's title to any Equipment (and/or of Lessor's assignee's security interest, if any, in any of the Equipment) or for the purpose of carrying out the intention of this Lease. If Lessor, in its sole discretion, deems it necessary so to do, Lessor may record or file this Lease (including any amendments hereof and addenda and supplements hereto) and any Rental Schedules and Certificates of Inspection and Acceptance, with any recording or filing office, agency or authority, and Lessee agrees to reimburse Lessor, promptly upon demand, for the full amount of the recording or filing fees attributable thereto. Lessee will also pay, or will upon demand reimburse Lessor, for all of the out-of-pocket costs and expenses incurred by Lessor in connection with the entering into of this Lease and/or Lessor's purchase of any of the Equipment for lease hereunder, including, without limitation, lien and/or title searches, filings and the fees of special counsel retained by Lessor in connection therewith, and/or in connection with the closing of the transactions contemplated hereunder.

22. Financial Statements and Other Reports. Lessee will furnish Lessor unaudited quarterly financial statements of Lessee within sixty (60) days after the end of each quarter, certified to be true and correct by its chief financial officer, and will also furnish Lessor, within one hundred twenty (120) days after the close of each fiscal year of Lessee, a consolidated Balance Sheet and Profit and Loss Statement of Lessee as

of the end of such year certified by the independent public accountants of Lessee. To the extent that Lessee is or may be required to submit quarterly and/or annual reports and/or certifications to the Securities and Exchange Commission, Lessee will furnish Lessor with copies of such reports and/or certifications at the time of the said submission of same by Lessee.

23. Miscellaneous.

23.1 Late Charges on Overdue Payments. Any nonpayment of rent or other amounts due hereunder shall result in the obligation on the part of Lessee promptly to pay also an amount equal to twelve percent (12%) per annum (or the maximum per annum rate of interest permitted by law, whichever is less) of the overdue rent or other amounts for the period of time during which they are overdue.

23.2 Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States mails, first-class postage prepaid, (except for notices given pursuant to Sections 17, 19, 20, 24 and 25, which shall be mailed by certified mail, return receipt requested) addressed to either party at its address set forth herein, or to such other address as either party shall hereafter furnish to the other in writing.

23.3 Entire Agreement; Severability; Effect and Modification of Lease. This Lease (and the letter agreement of even date herewith among Lessor, Lessee and Lessee's wholly-owned subsidiary North Western Communications, Inc.) constitutes the entire agreement between Lessor and Lessee with respect to the leasing of the Equipment, and cancels and supersedes any and all prior oral or written understandings with respect thereto. 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. 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 a duly authorized officer of Lessor and by a duly authorized officer or representative of Lessee. A waiver on any one occasion shall not be construed as a waiver on any future occasion. This Lease shall be binding upon and shall inure to the benefit of Lessor and Lessor's successors and assigns, and shall be binding upon and shall inure to the benefit of Lessee and Lessee's heirs, executors, administrators, other legal representatives, successors and (subject to the restrictions of Section 12 hereof) assigns.

23.4 Execution in Counterparts. This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and in each case such counterparts together shall constitute but one and the same instrument.

23.5 Governing Law. Lessor and Lessee agree that this Lease shall be governed by the laws of the Commonwealth of Massachusetts.

23.6 Lessor's Right to Perform for Lessee. If Lessee fails to duly and promptly perform any of its obligations under this Lease (except for the payment of rent) or fails to comply with any of the covenants or agreements contained herein, Lessor may itself perform such obligations or comply with such covenants or agreements, for the account of Lessee without thereby waiving any default, and any amount paid or expense (including reasonable attorneys' fees) incurred by Lessor in connection with such performance or compliance shall, together with interest thereon at the rate of twelve percent (12%) per annum (providing such rate does not exceed the maximum rate permitted by law, in which event the maximum rate permitted by law shall apply) be payable by Lessee to Lessor on demand.

23.7 No Agency. The relationship between Lessor and Lessee shall always and only be that of Lessor and Lessee. Lessee shall never at any time during the term of this Lease for any purpose whatsoever be or become the agent of Lessor, and Lessor shall not be responsible for the acts or omissions of Lessee or its agents.

23.8 Agreement for Lease Only. Lessor and Lessee agree that this Lease is and is intended to be a true lease (and not a lease intended as security or a lease in the nature of a security interest) and further agree to treat same as a true lease for all purposes, including, without limitation, legal, tax, clerical and accounting.

24. Purchase Option. If an Event of Default has not occurred and is not continuing hereunder, Lessee, by giving Lessor not less than one (1) year's written notice prior to the scheduled expiration date of the original lease term of the Equipment whose lease term first expires under this Lease, (or written notice not less than six (6) months prior to the expiration of any extension of the lease term of such Equipment) may elect to purchase not less than all of the Equipment then leased hereunder, at the times and in the manner hereinafter specified, for an amount equal to the fair market value of all of the Equipment at the time of the expiration of such lease term, plus any applicable sales tax with respect thereto. If Lessee elects to exercise said purchase option same shall be exercised with respect to each unit of Equipment on the day immediately following the date of expiration of the lease term of such unit, and by the delivery at such time by Lessee to Lessor of payment, in cash, or by certified check, of the amount of the purchase price for the Equipment, as hereinbefore set forth. Upon payment of such amount, Lessor shall, upon request of Lessee, execute and deliver to Lessee a bill of sale for the Equipment, transferring to Lessee whatever title to the Equipment Lessor may have, on an "as-is, where-is" basis, without representations or warranties of any kind whatsoever, except that the Equipment is free and clear from any liens or encumbrances placed thereon by Lessor or by persons who are claiming solely against Lessor but not against Lessee. If Lessee does not furnish Lessor with the aforesaid written notice of its intent to exercise said purchase option, Lessee shall return each unit of Equipment to Lessor, pursuant to and under the terms and conditions of Section 17 hereof, upon the expiration of the original lease term thereof, or, if extended as provided in Section 25 hereof, upon the expiration of such extension. If an Event of Default occurs and is continuing hereunder after Lessee has given Lessor written notice of its intention to exercise said purchase option, the said purchase option shall be null and void.

In the event that there should be a dispute as to the fair market value of any Equipment Lessee shall, upon Lessor's written request, and at Lessee's sole cost and expense, forthwith obtain an independent appraiser acceptable to Lessor to make an appraisal of the then fair market value of such Equipment. The report of said appraiser setting forth its determination of such fair market value shall be delivered to Lessor and Lessee not later than thirty (30) days following the date of Lessor's said written request to Lessee and shall be conclusive and binding upon Lessor and Lessee. If Lessor and Lessee cannot agree upon the choice of an appraiser, a panel of three (3) appraisers shall be chosen, one of whom shall be selected by Lessor, the second by Lessee and the third designated by the first two so selected, and the determination of a majority of said appraisers shall be conclusive and binding.

25. Extension of Lease Term. Lessee may, at its option, elect to extend the lease term of not less than all of the Equipment then leased hereunder, upon the expiration of the number of full quarters thereof specified on Exhibit "A" attached hereto, for up to two (2) extension(s) of one (1) year each, and for a rental payable quarterly in advance, on the first day of each quarter, in an amount equal to the then fair rental value for such Equipment. It shall be a condition precedent to the exercise of such option, with respect to each extension permitted hereunder, that no Event of Default has occurred and is continuing and that Lessee shall give Lessor written notice of Lessee's intent to exercise such option with respect to each such extension not less than (a) one (1) year prior to the scheduled expiration date of the original lease term of the Equipment whose lease term first expires under this Lease, in the case of the first such extension, and (b) six (6) months prior to the expiration of the first such extension of the lease term of the Equipment whose lease term first expires under this Lease, in the case of the second such extension. If Lessee does not furnish Lessor with the aforesaid written notice of its intent to exercise said option, or to purchase the Equipment as provided in Section 24 hereof,

Lessee shall return each unit of Equipment to Lessor, pursuant to and under the terms and conditions of Section 17 hereof, upon the expiration of the lease term thereof. In the event that there should be a dispute as to the then fair rental value of any of the Equipment, Lessee shall, upon Lessor's written request, and at Lessee's sole cost and expense, forthwith obtain an independent appraiser acceptable to Lessor to make an appraisal of the then fair rental value of such Equipment. The report of said appraiser setting forth its determination of such fair rental value shall be delivered to Lessor and Lessee not later than thirty (30) days following the date of Lessor's said written request to Lessee and shall be conclusive and binding upon Lessor and Lessee. If Lessor and Lessee cannot agree upon the choice of an appraiser, a panel of three (3) appraisers shall be chosen, one of whom shall be selected by Lessor, the second by Lessee and the third designated by the first two so selected, and the determination of a majority of said appraisers shall be conclusive and binding.

26. Investment Tax Credit Representation and Indemnity. Lessor, as the owner of the Equipment, shall be entitled to retain the full investment tax credit provided for by the Internal Revenue Code of 1954, as amended. Lessee represents and warrants that (i) at the time Lessor becomes the owner of any Equipment, such Equipment will constitute "new Section 38 property" within the meaning of Section 48(b) of said Internal Revenue Code, and at such time, such Equipment has not been used by any person so as to preclude "the original use of such property" within the meaning of Section 48(b) of said Internal Revenue Code from commencing with Lessor, and (ii) at all times during the lease term thereof such Equipment will constitute "Section 38 property" within the meaning of Section 48(a) of said Internal Revenue Code.

If, as to any Equipment, under any circumstances and for any reason whatsoever (and regardless of whether such Equipment is public utility property as defined in Section 46 of the Internal Revenue Code of 1954, as amended), Lessor shall lose, or shall not have the right to claim, or there shall be disallowed or recaptured any portion of the full seven percent (7%) investment tax credit, or, in the case of property acquired and placed in service during the period from January 22, 1975 through December 31, 1976, the full ten percent (10%) investment tax credit, allowable under Section 38 of the said Internal Revenue Code, for new property with a useful life equivalent to the lease term for such Equipment, Lessee agrees to pay Lessor upon demand, the sum of (1) an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of the United States or any state, city or other political subdivision thereof, or of any foreign country or political subdivision thereof, shall be equal to the amount of said investment tax credit so lost or disallowed or recaptured, or which may not be claimed, and (2) the amount of any interest or penalty which may be assessed by the United States Government against Lessor in connection with the loss or disallowance or recapture of said investment tax credit or Lessor's inability to have the right to claim the same. For purposes of this Section 26, any investment tax credit claimed by Lessor with respect to any Equipment which has been the subject of a Casualty Occurrence, shall conclusively be deemed to have been recaptured and therefore lost by Lessor as of the date of such Casualty Occurrence. It is recognized and agreed by Lessor and Lessee that the amounts specified in each Schedule of Stipulated Loss Values attached to this Lease do not include therein any amounts payable under this Section 26. In the event of a Casualty Occurrence with respect to any Equipment, for example, the amount of the investment tax credit indemnity payable by Lessee to Lessor as a result thereof shall be calculated and payable under and pursuant to this Section 26, and shall be in addition to the amount of the applicable Stipulated Loss Value (from the applicable Stipulated Loss Value Schedule) then payable to Lessor with respect to such Equipment as a result of such Casualty Occurrence. The indemnities contained in this Section 26 shall survive the expiration or other termination of the lease term of all Equipment leased under this Lease.

Anything hereinbefore in this Section 26 to the contrary notwithstanding, Lessee shall not be required to make any payments to Lessor under this Section 26 on account of any failure of Lessor to have the right to claim, or the loss, disallowance or recapture of, said investment tax credit, due solely to (1) the failure of Lessor, its consolidated subsidiaries,

and Lessor's parent (if any) and its consolidated subsidiaries (including Lessor), to have sufficient liability for tax within the meaning of Section 46(a) of said Internal Revenue Code against which to credit such investment tax credit for any Equipment in any tax year, or (2) the failure of Lessor to properly claim such investment tax credit in accordance with provisions of the Internal Revenue Code in the tax returns filed by Lessor or the affiliated group of which it is a member, or (3) the failure of Lessor to claim the investment tax credit in its income tax return for the appropriate year, and to make the correct computations with respect thereto, or the failure of Lessor to follow proper procedure in claiming such investment tax credit, or (4) the sale by Lessor of its interest in this Lease or of any unit of Equipment, other than (a) a sale to Lessee, or any subsidiary or affiliate of Lessee, (b) a sale pursuant to the exercise by Lessor of its rights under Section 19 hereof, following the occurrence of an Event of Default hereunder, or (c) a sale of any Equipment that has been the subject of a Casualty Occurrence.

In the event that a claim shall be made by the Internal Revenue Service of an adjustment to the investment tax credits claimed on the United States Corporation income tax return of Lessor or of the affiliated group of which Lessor is a member with respect to any of the Equipment leased hereunder which adjustment, if successful, could result in the failure of Lessor to have the right to claim, or the loss, disallowance or recapture of, said investment tax credit, for which Lessee would be required to indemnify Lessor pursuant to this Section 26, Lessee shall have the right to contest such claim, provided that: (a) within thirty (30) days after notice by Lessor to Lessee of such claim, Lessee shall request that such claim be contested, (b) Lessee shall have furnished Lessor with an opinion of its tax counsel to the effect that the likelihood of a meritorious defense exists to such claim, (c) Lessee shall pay for all costs, fees and expenses incurred in connection with the contesting of such claim, and (d) Lessee shall have indemnified Lessor in a manner satisfactory to Lessor for any costs, fees and expenses which Lessor might incur in connection with the contesting of such claim and for the amount of any interest or penalty which may ultimately be payable to the United States Government as the result of the contesting of such claim.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due authority, have duly executed this Lease as of the date first above written.

ATTEST:

Secretary

(Corporate Seal)

CHANDLER LEASING DIVISION,
PEPSICO LEASING CORPORATION (LESSOR)

BY _____
(authorized signature)

ITS Vice President
(title)

ATTEST:

Assistant Secretary

(Corporate Seal)

CHICAGO AND NORTH WESTERN
TRANSPORTATION COMPANY (LESSEE)

BY _____
(authorized signature)

ITS VICE PRESIDENT-FINANCE
(title)

EXHIBIT "A"

Type of Equipment	No. of Full Quarters of Lease Term	Quarterly Rent (as Percentage of Acquisition Cost)
New Tri-Level Enclosed Auto Racks as described on page 1 of Purchase Order No. 00074 issued by North Western Leasing Company to Whitehead & Kales Co., a copy of which is attached hereto, as Exhibit "A-1", and made a part hereof.	40	3.621%

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY
(Lessee)

By _____
(authorized signature)

Its Vice President
(title)

CHANDLER LEASING DIVISION,
PEPSICO LEASING CORPORATION (Lessor)

By _____
(authorized signature)

Its Vice President
(title)

Exhibit "A-1"

cc: DLD
IMK
FMJ
PJS

400 W. Madison Street
Chicago, Illinois 60606
Area Code 312 Phone. 332 2121

PURCHASE ORDER

NORTH WESTERN

LEASING COMPANY

FORM 25228

ORDER NO. 00074

JSJ/bd 9-16-74

Requisition No. 01807-A 01807-B

Whitehead & Kales Company
58 Baltimer Street
Detroit, Michigan 48218

SHIP TO: North Western Leasing Company

CARE OF: Chicago and North Western Transportation Co.
F. E. Cunningham, G.S.C.D.
c/o G.M.C. Janesville, Wisconsin and
c/o Chrysler Corp., Belvidere, Illinois

SHIPPING DATE: Start 2-75

TERMS: Net 10

F.O.B.: River Rouge, Mich.

☐ PREPAID ☐ COLLECT ☐ Request routing from C&NW agent in your Territory ☐ Ship Railway Express ☐ SHIP PARCEL POST ☐ SHIP TRUCK

Other routing:

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE DOLLARS	UNIT PRICE CENTS
70	EA	Fully enclosed tri-level automobile transport racks for	26,772	00
		Chrysler Corporation, including 60 A-234-786 Ratchet Lo-Ty		
		with C-226-216 Chain Assembly for Mounting on Leased		
		Trailer Train 89'4" End-Cushioned Low Deck Pullman-		
		Standard PLH-21 Flat Cars. (Racks to be equipped with		
		risers.)		
94	EA	Fully enclosed tri-level automobile transport racks for	27,112	00
		General Motors Corporation, including 60 A-234-786 Ratchet		
		Lo-Ty with C-231-465 Chain Assembly and 60 A-234-760 Idler		
		Lo-Ty for Mounting on Leased Trailer Train End-Cushioned		
		Low Deck Pullman-Standard PLH-21 Flat Cars. (Racks to be		
		equipped with risers.)		
		Per Quotation of 7/03/74.		
		Information on return ~~[illegible]~~ stenciling to be furnished later.		

INVOICES SUBMITTED FOR PAYMENT MUST SHOW SALES OR USE TAX AND TRANSPORTATION CHARGES SEPARATELY.

Mich. State of Initial Leasing Company Contact — A Subject to Sales Tax — B Resale — C Rolling Stock Exemption — D Other

Ill. State of Final Delivery — E Subject to Sales Tax — F Subject to use of tax — G Resale — H Rolling Stock Exemption

I C&NW to accrue any excess of this state's use tax over amount of sales tax paid in the other state — J Do not add tax use tax will be accrued and paid by the C&NW directly to the state — K Other

THIS ORDER IS PLACED SUBJECT ONLY TO THE TERMS AND CONDITIONS ON THE FACE AND REVERSE SIDE HEREOF AND DOES NOT CONSTITUTE THE ACCEPTANCE OF ANY TERMS AND CONDITIONS ON ANY PREVIOUS QUOTATION OR OFFER WHETHER OR NOT REFERRED TO HEREIN. BY ACCEPTING OR FILLING THIS ORDER OR ANY PART THEREOF THE SELLER AGREES TO AND SHALL BE BOUND BY ALL THE TERMS AND CONDITIONS ON THE FACE AND REVERSE SIDE HEREOF. THE PURCHASER HEREBY OBJECTS TO ANY TERMS AND CONDITIONS ON AN ACKNOWLEDGEMENT FORM OR OTHERWISE DIFFERENT FROM OR IN ADDITION TO THE TERMS AND CONDITIONS ON THE FACE AND REVERSE SIDE HEREOF.

Purchasing Agent

NORTH WESTERN LEASING COMPANY
ASST. VICE PRESIDENT MATERIALS

BY

EXHIBIT "B"

CERTIFICATE OF INSPECTION AND ACCEPTANCE

Pursuant to Equipment Lease (Lease No. 90868) dated _____, 197__, (the "Lease") by and between CHANDLER LEASING DIVISION, PEPSICO LEASING CORPORATION ("Lessor") a Delaware corporation with a place of business at 101 Hartwell Avenue, Lexington, Massachusetts 02173, and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, ("Lessee") a Delaware corporation, with a place of business at 400 West Madison Street, Chicago, Illinois 60606, Lessee hereby (a) certifies and acknowledges that the equipment described below (the "Equipment") has been delivered to, and inspected by, Lessee, is of a size, design, capacity and manufacture acceptable to Lessee for lease under the Lease, is suitable for Lessee's purposes, is in good working order, repair and condition, and has been installed to the satisfaction of Lessee, and (b) unconditionally accepts the Equipment for all purposes of the Lease, as of the date hereof.

Location of Equipment Installed on Trailer Train Company Railroad Flatcar(s) TTX

Item	Quantity	Manufacturer's Serial Number	Description of Equipment

SAMPLE

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY
(Lessee)

By _____
(authorized signature)

Its _____
(title)

Date: _____

EXHIBIT "C"

RENTAL SCHEDULE NUMBER _____

Pursuant to an Equipment Lease (Lease No. 90868) dated _____, 197 5 , (the "Lease") between CHANDLER LEASING DIVISION, PEPSICO LEASING CORPORATION ("Lessor") a Delaware corporation, with a place of business at 101 Hartwell Avenue, Lexington, Massachusetts 02173, and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY ("Lessee") a Delaware corporation, with a place of business at 400 West Madison Street, Chicago, Illinois 60606, the terms and conditions of which are hereby incorporated herein by reference, Lessee hereby (a) authorizes Lessor to order for lease to Lessee the equipment described herein (the "Equipment") and to insert hereon the Lease Commencement Date and the partial first month's rent (if any) for such Equipment upon Lessee's acceptance of same for lease, (b) agrees to lease such Equipment from Lessor effective the Lease Commencement Date thereof and for the lease term specified below, and (c) agrees to pay Lessor the rent, in the amounts and at the times specified below, for each unit of Equipment. All of the terms used herein which are defined in the Lease shall have the same meaning as so defined.

ITEM	QUANTITY	MANUFACTURER'S PART NUMBER	DESCRIPTION OF EQUIPMENT	ACQUISITION COST

Lease Term: -- Forty -- (-40-) full quarters, plus any partial first month (excluding any optional extension).

optional extension(s): two extensions of one year each

Rent:

(a) partial first month's rent: $_____ payable with first full quarter's rent.

(b) $_____ per quarter for first forty quarters, payable on first day of each quarter in advance, followed by (if inapplicable, insert "N/A") $ N/A per (month) (year) for next N/A months, payable on first day of each N/A, in advance, and followed by $ N/A per (month) (year) for next N/A months, payable on first day of each _____ in advance.

(c) during optional extension(s): $ fair rental value quarterly, payable in advance.

Location of Equipment: Installed on Trailer Train Company Railroad Flatcar(s) TTX

Name and Address of Vendor of Equipment: Whitehead and Kales Co.
River Rouge, Michigan

Lease Commencement Date for Equipment: _____

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY
(Lessee)

By _____
(authorized signature)

Its _____
(title)

Date of Execution _____

CHANDLER LEASING DIVISION,
PEPSICO LEASING CORPORATION (Lessor)

By _____
(authorized signature)

Its _____
(title)

Date of Execution: _____

EXHIBIT "D"

CERTIFICATE OF MARKING

Re: Certificate(s) of Inspection and Acceptance
Dated _____.

Pursuant to Section 9 of Equipment Lease No. 90788 dated _____, 1975, (the "Lease") between Chandler Leasing Division, PepsiCo Leasing Corporation ("Chandler"), as Lessor, and Chicago and North Western Transportation Company ("C&NW"), as Lessee, C&NW hereby certifies to Chandler that there has been plainly, distinctively, permanently and conspicuously stencilled upon the Equipment described in the above-referenced Certificate(s) of Inspection and Acceptance attached hereto and executed by C&NW pursuant to the Lease, the following legend in letters not less than one inch in height: "PROPERTY OF CHANDLER LEASING DIVISION, PEPSICO LEASING CORPORATION, OWNER AND LESSOR."

IN WITNESS WHEREOF, C&NW has caused this Certificate to be executed this _____ day of _____, 1975.

CHICAGO AND NORTH WESTERN
TRANSPORTATION COMPANY

By_____
(authorized signature)

Its_____
(title)

Exhibit "E"

CERTIFICATE OF INSTALLATION

The undersigned hereby certifies that (a) he is a duly authorized representative or designee of Whitehead & Kales Co. ("Vendor"), and of Chicago and North Western Transportation Company ("C&NW") and is authorized to execute this Certificate on behalf of Vendor and C&NW; (b) that the new tri-level enclosed auto rack(s) described below and manufactured by Vendor has or have been installed on the railroad flatcar(s) owned by, or leased to, Trailer Train Company, and bearing the reporting marks and car number(s) described below; and (c) there has been plainly, distinctively, permanently and conspicuously stencilled upon said auto rack(s) the following legend in letters not less than one inch in height: "PROPERTY OF CHANDLER LEASING DIVISION, PEPSICO LEASING CORPORATION, OWNER AND LESSOR".

Description of New Tri-Level Enclosed Auto Rack(s)			Trailer Train Company Flatcar(s)	
Quantity	Serial Number	Description	Reporting Marks	Car Number

IN WITNESS WHEREOF, the undersigned has executed this Certificate this _____ day of _____, 1975.

_____
(signature of authorized representative)

_____
(print or type name of signer on above line)

SCHEDULE OF STIPULATED LOSS VALUES

[For Equipment of the following type: New Tri Level Enclosed Auto Racks, and having lease term of forty quarters]

Last Day of Quarter Number	Stipulated Loss Value (as percentage of Acquisition Cost)	Last Day of Quarter Number	Stipulated Loss Value (as percentage of Acquisition Cost)
1	108.2%	21	75.9%
2	107.2%	22	73.5%
3	106.2%	23	71.2%
4	105.1%	24	68.7%
5	103.9%	25	66.2%
6	102.7%	26	63.5%
7	101.3%	27	60.9%
8	100.0%	28	58.1%
9	98.5%	29	55.3%
10	97.0%	30	52.5%
11	95.4%	31	49.5%
12	93.8%	32	46.5%
13	92.1%	33	43.4%
14	90.3%	34	40.3%
15	88.4%	35	37.1%
16	86.5%	36	33.8%
17	84.5%	37	30.5%
18	82.5%	38	27.0%
19	80.3%	39	23.6%
20	78.1%	40 (and end of each quarter thereafter)	20.0%

(During partial first month Stipulated Loss Value is 109.4 %)

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (Lessee)

By _____ (authorized signature)

Its _____ (title)

CHANDLER LEASING DIVISION, PEPSICO LEASING CORPORATION (Lessor)

By _____ (authorized signature)

Its _____ (title)

STATE OF Illinois)
COUNTY OF Cook) ss:

I hereby certify that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared J. M. Butler, to me personally known, who, being by me duly sworn, says that he is the Vice President - Finance of Chicago and North Western Transportation Company, a Delaware corporation; 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 pursuant to due authority, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Witness my hand and seal in the State and County last aforesaid this 18th day of August, 1975.

Marjorie Kayes
Notary Public

My Commission Expires: Dec. 7, 1977

(Seal)

STATE OF Massachusetts)
COUNTY OF Middlesex) ss:

I hereby certify that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Duane C. Stann, to me personally known, who, being by me duly sworn, says that he is the Vice President of Chandler Leasing Division, PepsiCo Leasing Corporation, a Delaware corporation; 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 pursuant to due authority, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Witness my hand and seal in the State and County last aforesaid this 2nd day of September, 1975.

[illegible]
Notary Public

My Commission Expires:

(Seal)

Nov 17 1978

[Acknowledgment for Corporation]