



**NATIONAL RAILWAY UTILIZATION CORP.**  
 1100 Centre Square East / 1500 Market Street / Philadelphia, Pennsylvania 19102 / (215) 569-2220

CHARLES P. TURNBURKE  
 VICE PRESIDENT  
 EQUIPMENT FINANCE

July 26, 1979

9-208A050

RECORDATION NO. 10678 Filed 1425

Date JUL 27 1979

JUL 27 1979 12 00 PM

Fee \$ 50.00

Secretary  
 Interstate Commerce Commission  
 12th and Constitution Avenues, N.W.  
 Washington, DC 20423  
 ATTN: Mrs. Lee, Room 1227

CC Washington, D.C.

Re: Equipment Lease Agreement -  
 American Fletcher Leasing Corporation, Lessor  
 National Railway Utilization Corporation, Lessee

Dear Mrs. Lee:

Enclosed herewith for filing please find original and two copies of an Equipment Lease Agreement dated as of July 24, 1979, together with our check in the amount of \$50.00 in payment of the filing fee.

The parties to this Agreement are:

National Railway Utilization Corporation  
 1100 Centre Square East  
 1500 Market Street  
 Philadelphia, PA 19102

American Fletcher Leasing Corporation  
 180 LaSalle, Suite 3014  
 Chicago, Illinois 60601

The equipment covered by the Equipment Lease Agreement is One Hundred (100) 70-ton, 50 foot, 6 inch, Type XM Boxcars, bearing Road Numbers NSL 150900 through NSL 150999 (both inclusive).

Very truly yours,

*Charles P. Turnburke*  
 Charles P. Turnburke

FEE OPERATION BR.  
 I.C.C.

JUL 27 11 52 AM '79

RECEIVED

CPT/km  
 Enclosures

*Karen Madden*  
*Counters*

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

7/27/79

**OFFICE OF THE SECRETARY**

Charles P. Turnburke  
Natl RYC. Utilization Corp.  
1100 Centre Squar East,  
1500 Market Street  
Phila. Pa. 19102

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/27/79 at 12:00pm, and assigned re-  
recording number(s). 10673

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

REGISTRATION NO. 10678-1425

*July* 27 1979 12:00 PM

**Equipment Lease Agreement**

INTERSTATE COMMERCE COMMISSION

dated as of July 24, 1979

between

**National Railway Utilization Corporation,  
a South Carolina corporation**

and

**American Fletcher Leasing Corporation,  
an Illinois corporation**

## Equipment Lease Agreement

This Equipment Lease Agreement is dated as of July 24, 1979 is between AMERICAN FLETCHER LEASING CORPORATION, an Illinois corporation, and NATIONAL RAILWAY UTILIZATION CORPORATION, a South Carolina corporation, and has reference to the following:

### Recitals

- (a) Lessee has ordered the Equipment from its suppliers;
- (b) Lessee has assigned to Lessor certain rights of Lessee under the Purchase Order (including the right to purchase the Equipment in accordance with the terms of the Purchase Order) pursuant to the Purchase Order Assignment;
- (c) Lessor desires to lease the Equipment to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of this Lease.

For purposes of convenience, this Lease is divided into sections; it being understood, however, that all sections herein are considered together as part of one and the same document.

### Definitions

1 Defined Terms. Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Lease and shall be equally applicable to both the singular and the plural forms of the terms herein defined:

- 1.1 "Date of Acceptance" with reference to any Unit shall mean the date on which such Unit is ready to be placed in service for its intended use and is accepted by Lessee as being subject to the Lease.
- 1.2 "Equipment" shall mean collectively the items of equipment specified in Schedule A to this Lease.
- 1.3 "Event of Default" shall have the meaning set forth in subsection 7 of this Lease.
- 1.4 "Event of Loss" shall have the meaning set forth in subsection 6.5 of this Lease.
- 1.5 "Imposts" shall have the meaning set forth in subsection 6.4 of this Lease.

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1.6 "Indemnity" shall have the meaning set forth in subsection 6.11 of this Lease.

1.7 "Lease" shall mean this Equipment Lease Agreement dated as of July 24, 1979 between Lessor and Lessee.

1.8 "Lessee" shall mean National Railway Utilization Corporation, a South Carolina corporation.

1.9 "Lessor" shall mean American Fletcher Leasing Corporation, an Illinois corporation.

1.10 "Original Cost" with respect to any Unit or Units shall mean the full purchase price of such Unit or Units, including, but not limited to, freight, sales tax and installation costs, as invoiced by the Vendor pursuant to and in conformity with the Purchase Order and as confirmed by a Supplement identifying such Unit.

1.11 "Purchase Order" shall mean the purchase order or orders numbered 1580, dated May 5, 1978, as amended by various change orders, and issued by Lessee to Vendor.

1.12 "Purchase Order Assignment" shall mean the Purchase Order Assignment entered into as of July 24, 1979 between Lessor and Lessee with the consent of Vendor.

1.13 "Remaining Lease Term" with respect to any Unit shall mean the period beginning with the date of the occurrence of an Event of Default and ending on the date on which the Term of Lease of such Unit would have terminated under this Lease if an Event of Default had not occurred.

1.14 "Rental Payment" or in the aggregate "Rental Payments" shall have the meaning set forth in sub-subsection 2.3.1 of the Lease.

1.15 "Rental Payment Date" shall mean a date on which a Rental Payment is due.

1.16 "Stipulated Loss Value" on any Rental Payment Date shall mean, with reference to any Unit, an amount determined by multiplying the Original Cost with reference to such Unit by the percentage specified in Schedule B to this Lease opposite the number identifying the consecutive Rental Payment then due.

1.17 "Supplement" shall mean a Supplement to the Lease substantially in the form of Schedule C to the Lease which identifies the Units that have been accepted by Lessee, confirms Lessee's acceptance under the terms of this Lease, and confirms that the Units have been leased by Lessor to Lessee pursuant to the terms of this Lease.

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1.18 "Term of Lease" shall have the meaning set forth in subsection 2.2 of this Lease.

1.19 "Unit" shall mean an individual item of Equipment as specified in Schedule A to this Lease. More Units than one are sometimes collectively referred to as Units.

1.20 "Vendor" shall mean Berwick Forge & Fabricating Division of Whittaker Corporation, a California corporation.

Lease of Equipment

2 Lease of Equipment. In consideration of the mutual covenants and undertakings herein contained, Lessor and Lessee agree as follows:

2.1 Lease. Subject to the terms and conditions of this Lease, Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Equipment; provided, however, that Lessor shall have no obligation to purchase for, and lease to Lessee (i) any Unit that shall not have been delivered by the supplier thereof to, and accepted by, Lessee no later than August 31, 1979, or (ii) any Unit, if the sum of the Original Cost of such unit to Lessor and the Original Cost to Lessor of Units previously leased pursuant to this Lease exceeds \$4,100,000.00. Further, Lessor shall have no obligation to purchase for, and lease to Lessee any Unit for which the Consent to the Purchase Order Assignment shall not have been duly executed by the Vendor. Lessee hereby agrees that it shall accept each and every Unit following a reasonable opportunity to inspect each Unit, if each Unit conforms to the specifications set forth in the Purchase Order, and in no event shall Lessee unreasonably withhold its acceptance. On the Date of Acceptance of a Unit or at such time or times following the Date of Acceptance of a Unit as Lessor may reasonably specify to Lessee, Lessor and Lessee shall enter into a Supplement with reference to such Unit. The determination of how many Units are to be covered by a Supplement shall be made by Lessor in its sole discretion. Each Unit shall be subject to this Lease immediately upon the Date of Acceptance of such Unit notwithstanding the fact that a Supplement relating to such Unit shall not have been entered into until a date subsequent to the Date of Acceptance. Notwithstanding the acceptance and delivery of Units to, and their possession and use by, Lessee, Lessor shall and does hereby retain the full legal title to and property in the same, it being expressly understood that this Lease is an agreement of lease only.

2.2 Term of Lease. The Term of Lease for each Unit shall commence on the Date of Acceptance of such Unit (as confirmed in the Supplement relating to such Unit) and, unless sooner terminated as provided herein, shall terminate on the day next preceeding the 12th anniversary of the Date of Acceptance. If the Term of Lease is extended, the phrase "Term of Lease", as used in this Lease, shall be deemed to include the extended term. This

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Lease may not be terminated by Lessor except as expressly provided herein and may not be terminated or cancelled by Lessee for any reason whatsoever, unless otherwise expressly provided herein.

**2.3 Rental Payments.** Lessee covenants and agrees to pay to Lessor the following Rental Payments.

**2.3.1 Base Quarterly Rent.** Lessee covenants and agrees to pay to Lessor, as rental for each Unit, Forty-eight (48) consecutive quarter-annual rental payments (herein referred to as "Rental Payment" or in the aggregate as "Rental Payments") in arrears, each such Rental Payment being in an amount equal to 3.4282% of the Original Cost of such Unit, payable on March 31, June 30, September 30, and December 31 of each year commencing with the Date of Acceptance and ending on the day preceeding the 12th anniversary of such date. In the event that the term of Lease shall commence on a day other than the first day of a calendar quarter, the first and last of the Rental Payments shall be pro-rated on a daily basis, the last such payment being due on the day preceeding the 12th anniversary of the Date of Acceptance.

**2.3.2 Loss of Depreciation or Deductions.** Lessee understands and agrees that the Rental Payments are established on the assumption that (i) the period for depreciation of all of the Equipment shall commence on the Date of Acceptance, (ii) Lessor will be entitled to use an accelerated method of depreciation (to be deemed to mean the double declining balance method or the sum of the years' digits method) with respect to all of the Equipment for Federal income tax purposes, which among other requirements shall include the requirement that the "original use" of the Equipment must commence with Lessor (as the term "original use" is used in Section 167(c) of the Internal Revenue Code of 1954), and (iii) Lessor will be entitled to select an asset depreciation period of 12 years pursuant to the applicable Revenue Procedure. Accordingly, Lessee agrees that in the event the period for depreciation shall not commence on the Date of Acceptance, or in the event Lessor shall not be entitled to use any accelerated method of depreciation or in the event Lessor shall not be able to select the asset depreciation period indicated, with respect to any Unit, as a result of any acts or omissions by Lessee or as a result of Lessor not being deemed the original user of such Unit, the Rental Payment for such Unit shall be increased, retro-active to the Date of Acceptance for such Unit, to an amount equal to 3.4411% of the Original Cost of such Unit, and, in addition, Lessee shall pay to Lessor interest at the rate of twelve percent (12%) per annum on the additional rental applicable to each Rental Payment previously made, from the date on which such Rental Payment was payable to the date on which such additional rent is paid.

**2.3.3 Investment Tax Credit.** Lessor hereby elects to treat Lessee, under Section 48(d) of the Internal Revenue Code of 1954, as the purchaser of the Equipment for Investment Tax Credit purposes, and only

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for such purposes. Lessor hereby agrees that it will not claim, for its own account, any Investment Tax Credit on the Equipment. It is hereby agreed that in no event shall this election be deemed or construed as a representation or warranty by Lessor as to the availability of any Investment Tax Credit on any Unit provided hereunder. It is further hereby agreed that Lessor and Lessee shall do any and all things necessary to comply with Treasury Regulation 1.48-4(f), which will allow a property-by-property election to treat the Lessee as purchaser for Investment Tax Credit purposes, as to all of the Equipment hereunder.

2.3.4 Late Payment. In the event that any Rental Payment or other payment hereunder shall not be made promptly when due, Lessee shall pay to Lessor, upon written demand by Lessor, as additional rental, interest on such overdue payment, from the Rental Payment Date of such payment to the date of payment thereof, at the rate of twelve percent (12%) per annum.

2.3.5 Place of Payment. All rental and other payments required to be made by Lessee to Lessor hereunder shall be made in immediately available funds to Lessor at Post Office Box 6663, Chicago, Illinois 60690 or at such other place as Lessor may designate in writing to Lessee.

Representations and Warranties

3 Lessor's Warranties. Lessor hereby represents and warrants to Lessee that (i) Lessor is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois; (ii) on the Date of Acceptance, Lessor has received whatever title was conveyed to it by the Vendor; (iii) Lessor has the right to lease the Equipment to Lessee in accordance with the terms of this Lease; and (iv) this Lease has been duly authorized, executed and delivered by Lessor and constitutes the legal, valid and binding obligation of Lessor in accordance with its terms.

4 Lessor's Disclaimers. The warranties set forth in the preceding Section of this Lease are exclusive and in lieu of all other warranties of Lessor whether written, oral or implied; and Lessor shall not, by virtue of having purchased for, and leased the Equipment to, Lessee under this Lease, or having executed and delivered any bill or bills of sale pursuant to this Lease, be deemed to have made any representation, warranty or covenant with respect to the title, merchantability, fitness, condition, quality, durability or suitability of any Unit in any respect or in connection with or for the purposes and uses of Lessee, AND LESSOR HEREBY DISCLAIMS ANY OTHER REPRESENTATION OR WARRANTY OF ANY NATURE, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, (i) LESSOR'S TITLE TO THE EQUIPMENT, (ii) THE DESIGN OR CONDITION OF THE EQUIPMENT, (iii) ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, (iv) THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE

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EQUIPMENT, OR (v) CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDERS RELATING THERETO, IT BEING UNDERSTOOD THAT LESSEE ACCEPTS THE EQUIPMENT FOR THE PURPOSES HEREOF "AS IS"; it being agreed, however, that Lessor authorizes Lessee to assert for Lessor's account, during the Term of Lease, all of Lessor's rights under any manufacturer's warranty on the Equipment, or any warranty of title, at Lessee's expense, but lessee shall indemnify and hold harmless Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to any action by Lessee pursuant to the above authorization.

5 Lessee's Warranties. Lessee hereby represents and warrants to Lessor as follows:

5.1 Organization, Corporate Power, etc. Lessee (i) is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, (ii) is qualified to do business in every jurisdiction in which such qualification is necessary and (iii) has the corporate power and authority to own its properties and to carry on its business as now being conducted.

5.2 Validity of Lease. The execution, delivery and performance by Lessee of this Lease have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government, the Certificate or Articles of Incorporation or By-Laws of Lessee, or any indenture, agreement or other instrument to which it is a party, or by which it or any of its property is bound, or 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 its property or assets; and this Lease constitutes the legal, valid and binding obligation of Lessee in accordance with its terms.

5.3 Financial Statements. All balance sheets, income statements, statements of changes in financial position and other financial data that have been given 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 such statements have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered (except as noted); 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 given to Lessor with respect to Lessee other than changes in the ordinary course of business, none of which changes has been materially adverse.

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5.4 Other Information. To the best of Lessee's knowledge and belief, all other written information, reports, papers and data given to Lessor with respect to Lessee are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Lessor a true and accurate knowledge of the subject matter.

5.5 Other Agreements. Lessee is not a party to any agreement or instrument materially and adversely affecting its present or proposed business, properties or assets, operation or condition, financial or otherwise; and Lessee is not materially in default in the performance, observance or fulfillment of any obligations, covenants or conditions set forth in any agreement or instrument to which it is a party.

5.6 Taxes. Lessee has filed all Federal, State, county and municipal tax returns required to have been filed by it and has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it (except taxes which Lessee is contesting in good faith), and Lessee does not know of any basis for additional assessment in respect of such taxes.

5.7 Litigation. There is not now pending against or affecting Lessee, nor to its knowledge is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency which if adversely determined would materially impair or affect its financial condition or operation except as disclosed in the most recent financial statement of Lessee given to Lessor or otherwise disclosed in writing to Lessor.

Covenants of Lessee

6 Covenants. Lessee covenants as follows:

6.1 Payment of Rent and Other Monies. Lessee shall promptly pay Lessor each and every Rental Payment and all other amounts payable by it under this Lease without asserting any setoff, counterclaim or other defense for any reason whatsoever.

6.2 Use of Equipment. Lessee shall:

6.2.1 use and operate the Equipment (i) in a careful and proper manner, (ii) solely in the conduct of its business, or in the business of any parent, subsidiary or affiliated corporation of Lessee to the extent permitted under the provisions of this Lease, (iii) in a manner and for the use contemplated by the manufacturer thereof and (iv) in compliance with (A) all laws, rules and regulations of every governmental authority having jurisdiction over the Equipment and (B) the provisions of all policies of insurance carried by Lessee pursuant to this Lease. Lessee shall not, without the prior written consent of Lessor, affix or install any part, accessory or device on any

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Unit if the same will impair the originally intended function or use of such Unit. Lessee shall pay all costs, expenses, fees and charges incurred in connection with the use and operation of the Equipment.

6.2.2 comply in all respects with all laws of the jurisdictions in which the Units may be operated, with the interchange rules of the Association of American Railroads, if applicable, and with all lawful rules of the Department of Transportation and the Interstate Commerce Commission and any other legislative executive, administrative or judicial body exercising any power or jurisdiction over the Units. In the event that such laws or rules require the alteration of the Units or in case any equipment or appliance on any such Unit shall be required to be changed or replaced or in case any additional or other equipment or appliance is required to be installed on such Unit in order to comply with such laws and rules, the Lessee agrees to make such alterations, changes, additions and replacements at its own expense; and the Lessee agrees at its own expense to use, maintain and operate such Unit in full compliance with such laws and rules so long as it is subject to this Lease; provided, however, that the Lessee, upon notice to the Lessor, may, in good faith, contest the validity or application of any such law or rules in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor hereunder.

6.3 Maintenance. Lessee shall, at its own cost and expense, maintain, service and repair the Equipment so as to keep it in as good operating condition, order, repair and appearance as it was when it first became subject to this Lease, ordinary wear and tear excepted. Lessee shall at its own expense, and within a reasonable period of time, replace all parts of any Unit that may become worn out, lost, destroyed or otherwise rendered permanently unfit for use with appropriate replacement parts, free and clear from any mortgage, lien, charge or encumbrance (and title thereto shall vest in Lessor immediately upon installation, attachment or incorporation of the same in, on or into such Unit).

6.4 Taxes. In addition to the Rental Payments and other amounts payable by Lessee under this Lease, Lessee shall pay promptly all taxes, assessments, license fees and governmental charges, municipal, state Federal and foreign (herein referred to as "Imposts"):

6.4.1 levied or assessed against Lessee (i) in respect of this Lease or the Purchase Orders or sales contracts issued in connection with the purchase of the Equipment, (ii) upon the interest of the Lessee in the Equipment, (iii) upon the use or operation thereof, or (iv) upon the earnings of Lessee arising therefrom; or

6.4.2 levied or assessed against lessor (i) on account of the purchase, lease, ownership, possession, maintenance, delivery, or return of the Equipment, (ii) on account of or measured by the use or operation thereof, or (iii) on account of or measured by the earnings,

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rentals, (excluding, however, any net income taxes payable by Lessor to the United States or any state or political subdivision thereof (except any such tax which is in substitution for, or relieves Lessee from the payment of, any tax or other charge for which Lessee would otherwise be obligated to pay as provided herein)), but including any excise, franchise (imposed only as a result of the business, transactions or facts directly related to this Lease), sales, use or similar tax imposed on Lessor, on account of the use or sale of the Equipment by, to or for the account of Lessee hereunder, provided, however, that Lessee shall not be required to pay any such Imposts if and so long as it shall in good faith, with due diligence and by appropriate legal or administrative proceedings contest the validity, applicability or amount thereof. If the claim is made against Lessor for any Imposts payable by Lessee hereunder, Lessor shall promptly notify Lessee, and if Lessor pays the same, Lessee will promptly reimburse Lessor therefor. If any Imposts payable by Lessee hereunder is, by law, to be assessed or billed to Lessor, Lessee shall, at its expense, do any and all things required to be done by Lessor in connection with the levy, assessment, billing or payment thereof; and Lessor hereby authorizes Lessee to act for and on behalf of Lessor in connection therewith, but Lessee shall indemnify and hold harmless Lessor from and against any and all claims and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the above authorization. Lessee shall cause all billing of Imposts levied against Lessor to be made to Lessor in care of Lessee, and shall, from time to time, on request of Lessor, submit written evidence of the payment of such Imposts.

6.5 Loss of Equipment. Lessee shall bear the risk of the Equipment being lost, destroyed or otherwise rendered permanently unfit or unavailable for use (herein called an "Event of Loss") after its delivery to and acceptance by Lessee hereunder. For the purposes of this Lease, a Unit shall be deemed to have been otherwise rendered permanently unfit or unavailable for use, without limiting the general meaning of such phrase, if any such Unit shall have been (i) confiscated, condemned or taken by any governmental body, de facto or de jure, by exercise of the power of eminent domain or otherwise, (ii) damaged to such an extent rendering repair impracticable or uneconomic or (iii) stolen or misappropriated and not recovered by Lessee within sixty (60) days after discovery or notice thereof.

6.6 Occurrence of a Event of Loss. If an Event of Loss shall occur with respect to any Unit, Lessee shall promptly notify Lessor thereof and shall pay to Lessor on the next Rental Payment Date after the date on which the 60-day period following the occurrence of such an Event of Loss shall have expired; in addition to the Rental Payment then due, an amount equal to the Stipulated Loss Value of such Unit. In such an event, Lessee shall continue to pay the Rental Payment applicable to such Unit until the Rental Payment Date on which Lessor receives payment in full of the Stipulated Loss Value of such Unit, whereupon Lessee's obligations to pay Rental Payments with respect to such Unit shall terminate.

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6.7 Disposition of Insurance and Other Proceeds. The proceeds of insurance or of any confiscation, condemnation or other taking in respect of a Unit as to which an Event of Loss has occurred shall be paid to and retained by Lessor. The proceeds of insurance in respect to damage to a Unit, the repair of which is practicable shall be paid to Lessor and, unless an Event of Default hereunder has occurred and is continuing, shall be applied either to such repair or to the reimbursement of Lessee for the cost of such repair, at the election of Lessee, after such repair has been made and such Unit has been restored to good operating condition.

6.8 Insurance Coverage. Lessee will carry, at Lessee's cost and at no cost to Lessor, with insurers of recognized responsibility:

6.8.1 comprehensive public liability and property damage insurance in respect of the operation and use of the Equipment, in an amount not less than Ten Million Dollars (\$10,000,000.00) for each occurrence.

6.9 Insurance Policy Provisions. Lessee shall cause each insurance policy issued pursuant to the requirements of this Lease to provide, and the insurer issuing such policy to certify to Lessor, as follows:

6.9.1 as to public liability and property damage insurance, that (i) Lessor, as owner and Lessor of the Equipment, is an additional insured thereunder, (ii) all provisions of such policy, except the limits of liability, will operate in the same manner as if there were a separate policy covering each insured and (iii) if such policy be cancelled or materially changed for any reason whatsoever such insurer will promptly notify Lessor and such cancellation or change will not be effective until thirty (30) days have elapsed after notice to Lessor.

6.10 Delivery of Policies and Receipts for Premiums. Lessee shall deliver to Lessor copies of each such insurance policy (or a certificate of insurance relating thereto) upon the execution hereof and copies of each renewal policy (or a certificate or other evidence of insurance relating thereto) prior to the expiration of the original policy or preceding renewal policy, as the case may be (provided, however, that Lessee shall notify Lessor in writing of the status of such insurance thirty (30) days prior to the expiration thereof in the event it has not then delivered to Lessor a renewal policy, or a certificate or other evidence of insurance relating thereto), and Lessee shall deliver to Lessor receipts or other evidence that the premiums thereon have been paid if reasonably requested by Lessor.

6.11 Indemnity. Lessee agrees to indemnify and hold harmless Lessor from and against any and all liabilities, obligations, expenses, claims (including claims for negligence or strict liability in tort), losses, costs, disbursements (including legal fees and expenses), actions, suits, judgments, penalties and damages of whatsoever kind and nature (herein referred to individually as "Indemnity" and collectively as "Indemnities") imposed on, incurred by or asserted against Lessor or any successors or

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assigns of Lessor, in any way relating to or arising out of this Lease or arising out of any of the letters, agreements or instruments executed in connection with this Lease, including, but not limited to:

- (i) the manufacture, purchase, delivery, non-delivery, acceptance or rejection, ownership, management, lease, control, possession, use, operation, storage, condition, sale, return or other disposition, of the Equipment, or any part thereof,
- (ii) the use in or about the construction or operation of the Equipment of any design, article, or material which infringes or is claimed to infringe on any patent, trademark, copyright or other right, or
- (iii) the failure of Lessee to observe and conform to the statutes, ordinances or other regulations or requirements of any governmental authority applicable or relating to the Equipment, except for any Indemnities arising out of the gross negligence or willful misconduct of Lessor.

The covenant of indemnity contained in this subsection shall continue in full force and effect notwithstanding the full payment of all amounts due hereunder or the termination of this Lease in any manner whatsoever.

The Lessee's obligations under the Indemnities provided for in this Lease shall be those of a primary obligor regardless of whether the Lessor shall also be indemnified with respect to the same matter under the terms of any other document or instrument, and the Lessor may proceed directly against the Lessee without first seeking to enforce any other right of indemnification. Upon the payment in full by the Lessee of any Indemnity provided for under this Lease, the Lessee shall be subrogated to any right of the Lessor in respect of the matter as to which such Indemnity was paid.

6.12 Inspection. Lessee shall permit any person designated by Lessor, at Lessor's expense and at its option, to visit and inspect the Equipment, or any part thereof, and any records pertaining to the use and maintenance thereof, at such reasonable times and places and as often as Lessor may reasonably request. Lessor is under no duty or obligation to inspect the Equipment.

6.13 Possession; Assignment; Pledge. Lessee shall not, without the prior written consent of Lessor:

6.13.1 sublease, hire out or otherwise transfer or part with the possession, control or custody of the Equipment, or any part thereof, except in the normal course of Lessee's business;

6.13.2 assign this Lease or its interests hereunder; or

6.13.3 create, incur or suffer to exist any mortgage, pledge, lien, encumbrance or charge on, or adverse claim with respect to, the Equipment, or any part thereof, or its interest therein, by, through or under Lessee.

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6.14 Identification. Lessee shall, at its own cost and expense, cause each Unit to be legibly marked in a reasonably prominent location with a plate, disc or other appropriate marking as shall, in the opinion of Lessor, be appropriate or desirable to evidence the fact of Lessor's ownership of such Unit. Lessee shall not remove or deface, or permit to be removed or defaced, any such plate, disc or other marking or the identifying manufacturer's serial number with respect to such Unit, and, in the event of any such removal or defacement, Lessee shall promptly cause such plate, disc, other marking or serial number to be replaced. Lessee shall not allow the name of any person, association or corporation to be placed on any Unit in any manner that might be interpreted as a claim of ownership; provided, however, that Lessee may cause the 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 as the Equipment for convenience of identification of its rights to use the Equipment as permitted under this Lease.

6.15 Equipment to be Personal Property. It is expressly understood that all the Equipment shall be and remain personal property notwithstanding the manner in which the same may be attached or affixed to realty, and Lessee shall do all acts and enter into all agreements necessary to insure that the Equipment remains personal property.

6.16 Financial Statements. Lessee shall furnish to Lessor:

6.16.1 within sixty (60) days after the end of each of the first three (3) quarters of each of its fiscal years, its income statement for such quarter and for the fiscal year to the end of such quarter and balance sheet as of the end of such quarter certified by the principal financial officer of Lessee as having been prepared in accordance with accounting principles consistent with those reflected in its audited financial statements and as to the truth, accuracy and completeness of the information contained therein;

6.16.2 within one hundred twenty (120) days after the end of each of its fiscal years, a complete conformed copy of an executed report of an examination of its financial affairs made by recognized and reputable independent certified public accountants, such report to include a balance sheet, a statement of changes in financial position and an income statement for such year and an unqualified opinion to the effect that such balance sheet, statement of changes in financial position and income statement fairly represent the financial condition of Lessee and the results of its operations in conformance with generally accepted accounting principals applied on a consistent basis, except as may be described in such opinion.

Any financial statement furnished pursuant to this subsection may be a consolidated statement (i.e., consolidate the financial information with respect to Lessee with that of its consolidated subsidiaries, if any).

Equipment Lease Agreement  
National Railway Utilization Corporation  
July 24, 1979, Page 13

Default

7 Events of Default. The occurrence of any of the following shall constitute an Event of Default hereunder:

7.1 Default in Payment. Lessee shall fail to pay all or any part of a Rental Payment or other payment hereunder when and as the same shall become due and payable, and shall continue to fail to do so for a period of ten (10) days after written notice thereof by Lessor to Lessee.

7.2 Breach of Warranty. Any representation or warranty made in this Lease, or in any report, certificate, financial statement or other statement furnished pursuant to the provisions of this Lease, shall prove to have been false or misleading in any material respect as of the date on which the same was made.

7.3 Breach of Covenant. Lessee shall fail to duly observe or perform any covenant, condition or agreement made by it hereunder or under any other agreement between Lessor and Lessee, and shall continue to fail to observe or perform the same for a period of thirty (30) days after written notice thereof by Lessor to Lessee.

7.4 Judgment. A Judgment for the payment of monies in excess of \$250,000.00 shall be rendered against Lessee and shall remain undischarged for a period of thirty (30) days during which period execution shall not be effectively stayed.

7.5 Attachment. An attachment or other lien against the property of Lessee for an amount in excess of \$250,000.00 shall be issued or entered and shall remain undischarged or unbonded for thirty (30) days.

7.6 Bankruptcy, Receivership, Insolvency, etc. Bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings shall be instituted by or against Lessee, or all or any part of its property, under the Federal bankruptcy law as presently existing or as amended or under a future bankruptcy law of the United States or other law of the United States or of any state or other competent jurisdiction, and, if against Lessee, it shall consent thereto or shall fail to cause the same to be discharged within thirty (30) days.

7.7 Default Under Other Agreements. Any indebtedness now or hereafter owing by Lessee, for borrowed money under Lessee's major long-term loan agreement(s) shall not be paid when due and payable, whether at the due date thereof or at a date fixed for prepayment or upon the acceleration of the maturity thereof or otherwise. For the purposes of this subsection, the phrase "major long-term loan agreement(s)" shall be deemed to mean Lessee's largest monetary obligation(s) owing to a financial institution (banks or insurance companies), the last installment of which would not be due and payable before a year's period shall have elapsed following any takedown of funds thereunder.

Equipment Lease Agreement  
National Railway Utilization Corporation  
July 24, 1979, Page 14

Remedies

**8 Remedies.** If an Event of Default hereunder shall occur and be continuing, Lessor may exercise any one or more of the following remedies:

**8.1 Termination of Agreement.** Terminate this Lease and Lessee's rights hereunder.

**8.2 Specific Performance or Damages.** Proceed, by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof.

**8.3 Repossession.** Subject always to any mandatory requirements of applicable law then in effect:

8.3.1 personally, or by agents or attorneys, retake possession of the Equipment, or any Unit, from Lessee (and any items in or on the Equipment at the time of repossession, wherever such items may be, which items shall be held in storage for Lessee, at Lessee's expense, without liability on the part of Lessor), without notice or hearing or other process of law, without liability to return to Lessee any Rental Payment or other payments previously made and free from all claims made by Lessee, and for that purpose Lessor may enter upon Lessee's premises where any of the Equipment is located, remove the same without liability for suit, action or proceeding by Lessee and, use in connection with such removal any and all services, supplies, aids and other facilities of Lessee; or

8.3.2 retake possession of the Equipment, or any Unit thereof, without liability to return to Lessee any Rental Payment or other payments theretofore made and free from all claims by Lessee, by directing Lessee in writing to assemble the Equipment and deliver the same to Lessor at Chicago, Illinois, in which event Lessee shall, at its own expense, forthwith cause the same to be moved to the place so designated and there delivered to Lessor; it being understood (i) that Lessee's obligations so to deliver the Equipment are of the essence of this Lease and that, accordingly, upon application to a court of equity having jurisdiction, Lessor shall be entitled to a decree requiring specific performance by Lessee of such obligations; and (ii) that Lessor may, without charge, pending further action by Lessor as hereinafter provided, keep any of the Equipment repossessed by Lessor pursuant to this clause on the premises of Lessee; provided, however, that if the storage of the Equipment thereon materially interferes with the efficient operation of such premises the Equipment shall be removed to and stored (at the expense of Lessee) at any other location mutually agreed upon by Lessor and Lessee.

**8.4 Other Remedies.** Exercise any other remedy specifically granted hereunder or now or hereafter existing in equity or at law, by virtue of statute or otherwise.

Equipment Lease Agreement  
National Railway Utilization Corporation  
July 24, 1979, Page 15

Disposition

9 Disposition of Equipment. In the event Lessor repossesses the Equipment, Lessor may (a) lease the Equipment, or any portion thereof, in such manner, for such time and upon such terms as Lessor may determine, or (b) sell the Equipment, or any portion thereof, at one or more public or private sales, in such manner at such time or times and upon such terms as Lessor may determine.

9.1 Lease. In the event that Lessor shall enter into a lease or leases to an unrelated third party of any Units that have been repossessed by Lessor from Lessee pursuant to this Lease, Lessee shall pay to Lessor the excess, if any, of the sum total of (i) any and all expenses and fees (including attorneys' fees) incurred by Lessor in retaking possession of, and removing, storing and leasing such Units, (ii) the costs and expenses incurred by Lessor, if any, in repairing such Units, (iii) all Rental Payments then due and unpaid under this Lease, (iv) The net present value (calculated at twelve percent (12%) per annum) of the Rental Payments then remaining unpaid under this Lease, (v) The net present value (calculated at twelve percent (12%) per annum) of the Stipulated Loss value for such units applicable to the last Rental Payment Date, and (vi) any and all other sums then owing to Lessor by Lessee pursuant to this Lease, over the net present value (calculated at twelve percent (12%) per annum) of the rentals contracted to be received by Lessor from such third party. Lessor shall retain any excess of such net present value of the rentals contracted to be received by Lessor from a third party over the sum total of the amounts referred to in clauses (i) through (vi) above.

9.2 Sale. In the event that Lessor shall sell or otherwise dispose of (other than pursuant to a lease) any Unit, the proceeds shall be applied to the payment of (i) any and all expenses and fees (including reasonable attorneys' fees) incurred by Lessor in retaking possession of, and removing, storing and selling or otherwise disposing of such Unit, (ii) the costs and expenses incurred by Lessor, if any, in repairing such Unit, (iii) the Rental Payments accrued under this Lease but unpaid up to the time of such sale or other disposition, (iv) any and all other sums (other than Rental Payments) then owing to Lessor by Lessee and (v) the Stipulated Loss Value of the Equipment determined as of the Rental Payment Date next preceeding such sale or other disposition. The remaining balance of such proceeds, if any, shall be retained by Lessor. Lessee shall remain liable to Lessor to the extent that the aggregate amount of the sums referred to in clauses (i) through (v) above shall exceed the aggregate proceeds received by Lessor in connection with the sale or disposition of the Equipment.

Renewal Option

10 Renewal Option. So long as no Event of Default (or event which would constitute an Event of Default but for the lapse of time or the giving of notice or both) shall have occurred and be continuing, by written notice specifying

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National Railway Utilization Corporation  
July 24, 1979, Page 16

the amount of the Rental Payments being offered delivered to Lessor not less than one hundred eighty (180) days prior to the expiration of the first Term of Lease hereunder to expire, Lessee may extend the Term of Lease hereof beyond the initial term as set forth in subsection 2.2 of this Lease, as to all of the Equipment, and nothing less than all of the Equipment, for as many consecutive one (1) year periods as Lessee shall specify in such written notice to Lessor. It is hereby agreed that all of the terms and conditions set forth in this Lease shall apply during any such extension of the original Term of Lease, except that the amount of the Rental Payments shall be equal to the then fair rental value of the Equipment. If, in Lessor's reasonable opinion, the amount of the Rental Payments so specified in such written notice does not equal the then fair rental value of the Equipment, Lessor and Lessee shall select a mutually agreeable independent third party who shall determine the fair rental value of the Equipment. In the event that Lessor and Lessee cannot agree upon such independent third party, then Lessor shall select a nationally prominent independent appraiser of Lessor's own choice. Following such appraisal, Lessee shall lease the Equipment from Lessor for its fair rental value as established by appraisal above. Lessor and Lessee shall each pay one-half of the cost of any appraisal made pursuant to this section.

Return of Equipment

11 Return of Equipment. Upon the expiration of the Term of Lease with respect to any Unit, other than pursuant to an Event of Default, Lessee shall, at its own expense, return such Unit by delivering the same to Lessor at Chicago, Illinois. At the time of such return, such Unit shall be free and clear of all liens, encumbrances and rights of others and shall be in as good condition as when delivered to Lessee hereunder, and Lessee shall have paid the cost of any repairs necessary to restore such Unit to such condition, ordinary wear and tear excepted. Thereafter, Lessee shall have no further interest in such Unit. Lessor may keep such Unit or sell, lease or otherwise dispose of such Unit and collect and retain all proceeds received in connection therewith. Notwithstanding anything to the contrary in the foregoing, Lessee shall return any such Unit to another location (other than Chicago, Illinois), provided that Lessor shall have furnished Lessee with reasonable notice in writing thereof and provided further, that the expenses of so returning such Unit to such a location, would not be greater than the expenses to be incurred in returning the same to Chicago, Illinois.

Miscellaneous

12 Additional Provisions. In addition to the foregoing Lessor and Lessee agree as follows:

Equipment Lease Agreement  
National Railway Utilization Corporation  
July 24, 1979, Page 17

12.1 Performance of Lessee's Obligations. If Lessee shall fail to make payment or perform any act required by this Lease, Lessor may, but shall not be obligated to, make such payment or perform such act for the account of and at the expense of Lessee, without notice to or demand upon Lessee and without waiving or releasing any obligation or default. Lessee shall indemnify and hold harmless Lessor from and against all losses and expenses (including, but not limited to, attorneys' fees) suffered or incurred by Lessor by reason of any acts performed by it pursuant to this subsection; and Lessee shall pay to Lessor, upon demand, all sums expended by Lessor pursuant to this subsection or with respect to which it shall be entitled to be indemnified, plus interest thereon, at the rate of fifteen percent (15%) per annum, from the date on which such sums are expended by Lessor to the date on which Lessee pays the same to Lessor.

12.2 Further Assurances. Lessee agrees that at any time, and from time to time, after the execution and delivery of this Lease, it shall, upon request of Lessor, execute and deliver such further documents and do such further acts and things as Lessor may reasonably request in order to fully effect the purposes of this Lease, including but not limited to, any and all information necessary to enable Lessor to properly complete and file tax returns for any and all states or political subdivisions. Without limiting the generality of the foregoing, Lessee shall cause this Lease to be kept, or any UCC-1's to be filed and recorded in such places as Lessor may reasonably request in order to perfect and preserve Lessor's rights hereunder.

12.3 Rights, Remedies, Powers. Each and every right, remedy and power granted to Lessor hereunder shall not be exclusive but shall be cumulative and in addition to any other right, remedy or power herein specifically granted or now or hereafter existing in equity, at law, by virtue of statute or otherwise and may be exercised by Lessor from time to time concurrently or independently and as often and in such order as Lessor may deem expedient. Any failure or delay on the part of Lessor in exercising any such right, remedy or power, or abandonment or discontinuance of steps to enforce the same, shall not operate as a waiver thereof or affect Lessor's right thereafter to exercise the same, and any single or partial exercise of any such right, remedy or power shall not preclude any other or further exercise thereof or the exercise of any other right, remedy or power.

12.4 Modification, Waiver, Consent. Any modification or waiver of any provision of this Lease, or any consent to any departure by Lessee therefrom shall not be effective in any event unless the same is in writing and signed by Lessor, and then such modification, waiver or consent shall be effective only in the specific instance and for the specific purpose given. Any notice to or demand on Lessee in any event not specifically required of Lessor hereunder shall not entitle Lessee to any other or further notice or demand in the same, similar or other circumstances unless specifically required hereunder.

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National Railway Utilization Corporation  
July 24, 1979, Page 18

12.5 Communications. Any notice, request, demand, consent, approval or other communication provided or permitted hereunder shall be in writing and be given by personal delivery or sent by United States first class mail, postage prepaid, addressed as follows:

if to Lessor: American Fletcher Leasing Corporation  
180 LaSalle, Suite 3014  
Chicago, Illinois 60601

if to Lessee: National Railway Utilization Corporation  
1100 Centre Square East  
1500 Market Street  
Philadelphia, Pennsylvania 19102

provided, however, that either party may change its address for purposes of receipt of any such communication by giving ten (10) days' written notice of such change to the other party in the manner above prescribed.

12.6 Section Headings, etc. Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Lease. All references herein to sections, paragraphs, clauses and other subdivisions refer to the corresponding sections, paragraphs, clauses and other subdivisions of this Lease; and the words "herein", "hereof", "hereby", "hereunder", and words of similar import refer to this Lease as a whole and not to any particular section, paragraph, clause or other subdivision hereof. All exhibits, appendixes, or schedules attached hereto and referred to herein shall be deemed a part of this Lease.

12.7 Governing Law. This Lease shall be deemed to have been made under and shall be governed by, the laws of the State of Illinois in all respects, including matters of construction, validity and performance.

12.8 Severability. If any provision of this Lease is prohibited by, or is unlawful or unenforceable under, any applicable law of any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof; provided, however, that any such prohibition in any jurisdiction shall not invalidate such provision in any other jurisdiction; and provided further, that where the provision of any such applicable law may be waived, they hereby are waived by Lessee to the full extent permitted by law to the end that this Lease shall be deemed to be a valid and binding agreement in accordance with its terms.

12.9 Assignment. Lessor, or any assignee of Lessor, may at any time, without notice to or consent by Lessee, sell, assign, transfer or mortgage or otherwise encumber its interest under this Lease or in the Equipment, subject to the terms of this Lease and the rights of Lessee hereunder, and upon receipt of written notice of any such assignment, Lessee shall recognize such assignment subject to the rights of Lessee against Lessor

Equipment Lease Agreement  
National Railway Utilization Corporation  
July 24, 1979, Page 19

hereunder. No assignment or reassignment shall release Lessor from its obligations to Lessee under this Lease. Lessor agrees to deliver to Lessee a copy of each agreement evidencing any such sale, assignment, transfer, mortgage or other encumbrance, or the portion thereof which effects compliance with the provisions of this section, as soon as practicable after the execution and delivery thereof.

12.10 Use of Equipment Beyond Lease Term. If Lessor permits the use of any Unit beyond the Term of Lease with respect thereto, the obligations of Lessee hereunder shall continue; provided, however, that such permissive use shall not be construed as a renewal of such term of lease nor as a waiver of any right or continuation of any obligation of Lessor hereunder, and Lessor may take possession of such Unit at any time upon demand.

12.11 Entire Agreement. This Lease contains the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersedes and cancels any prior understandings and agreements between Lessor and Lessee with respect thereto.

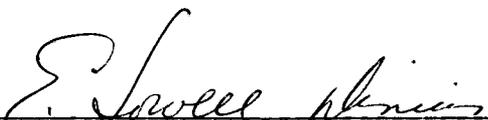
12.12 Binding Effect. The Lease, shall be binding upon and shall inure to the benefit of the respective successors and assigns of Lessee and Lessor.

12.13 Counterparts. This Lease may be executed in counterparts, and each such counterpart shall, for all purposes, constitute one agreement binding upon the parties hereto, notwithstanding that both parties are not signatory in the same counterpart.

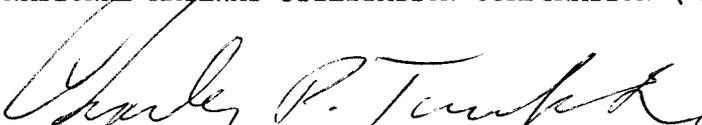
12.14 Survival. The representations, warranties, indemnities and agreements of the Lessee provided for in this Lease, and the Lessee's obligations under any and all such representations, warranties, indemnities and agreements, shall survive the return of the Equipment to Lessor and, the expiration or other termination of this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease.

AMERICAN FLETCHER LEASING CORPORATION ("Lessor")

By   
E. Lowell Dinius, Vice President and Secretary

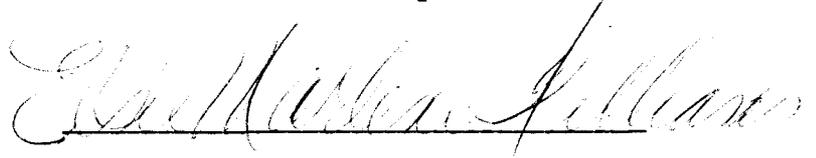
NATIONAL RAILWAY UTILIZATION CORPORATION ("Lessee")

By   
Charles P. Turnburke, Vice President

Equipment Lease Agreement  
National Railway Utilization Corporation  
July 24, 1979, Page 20

STATE OF PENNSYLVANIA )  
 ) SS:  
COUNTY OF PHILADELPHIA )

ON THIS 26th day of July, 1979, before me personally appeared Charles P. Turnburke, to me personally known, who being by me duly sworn, says that he is the Vice President of National Railway Utilization Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



My Commission Expires:

ELSIE MARLENE WILLIAMS  
Notary Public, Phila., Phila. Co.  
My Commission Expires Oct. 18, 1982

Equipment Lease Agreement  
National Railway Utilization Corporation  
July 24, 1979, Page 21

STATE OF PENNSYLVANIA     )  
  ) SS:  
COUNTY OF PHILADELPHIA    )

ON THIS 26th day of July, 1979, before me personally appeared E. Lowell Dinius, to me personally known, who being by me duly sworn, says that he is the Vice President and Secretary of American Fletcher Leasing Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



My Commission Expires:

MARLENE WILLIAMS  
Notary Public, Philadelphia  
My Commission Expires Oct. 18, 1980

SCHEDULE A

to the

Equipment Lease Agreement dated as of July 24, 1979

between

American Fletcher Leasing Corporation ("Lessor")

and

National Railway Utilization Corporation ("Lessee")

DESCRIPTION OF EQUIPMENT

The Equipment covered by the Equipment Lease Agreement identified above is as follows:

<u>Quantity</u>	<u>Unit Description</u>	<u>Vendor</u>	<u>Purchase Order No.</u>
100	Fifty foot, 70 ton Box Cars, XM rated, XF Specifications, Car Numbers NSL150900 thru NSL150999	Berwick Forge & Fabricating, Division of Whittaker Corporation	1580

Schedule B  
to the  
Equipment Lease Agreement dated as of July 24, 1979  
between  
American Fletcher Leasing Corporation ("Lessor")  
and  
National Railway Utilization Corporation ("Lessee")

STIPULATED LOSS VALUES

The Stipulated Loss Value of a Unit of the Equipment covered by the Equipment Lease Agreement identified above, as of any Rental Payment Date, shall be an amount equal to the product of (i) the Original Cost of such Unit (as specified in the Supplement to such Agreement covering such Unit) and (ii) the percentage indicated below opposite the number identifying the consecutive Rental Payment due on such Rental Payment Date.

<u>Consecutive Rental Payment</u>	<u>Percentage</u>	<u>Consecutive Rental Payment</u>	<u>Percentage</u>
1	101.149	26	82.241
2	101.309	27	80.493
3	101.393	28	78.668
4	101.400	29	76.766
5	101.330	30	74.788
6	101.185	31	72.734
7	100.963	32	70.604
8	100.665	33	68.397
9	100.290	34	66.114
10	99.339	35	63.755
11	99.312	36	61.319
12	98.708	37	58.807
13	98.028	38	56.218
14	97.272	39	53.553
15	96.439	40	50.812
16	95.530	41	47.995
17	94.545	42	45.101
18	93.483	43	42.131
19	92.345	44	39.084
20	91.131	45	35.961
21	89.840	46	32.762
22	88.473	47	29.487
23	87.030	48	36.135
24	85.510	49	25.000
25	83.914		

After the 12th anniversary of the Term of Lease for such Unit, and until such time that such Unit has been surrendered to lessor, as set forth in the Lease, the Stipulated Loss Value of such Unit shall be 25% of the Original Cost thereof.

Exhibit A  
to  
Supplement No. \_\_\_\_\_  
to the Equipment Lease Agreement  
dated as of July 24, 1979  
between  
American Fletcher Leasing Corporation ("Lessor")  
and  
National Railway Utilization Corporation ("Lessee")

<u>Quantity</u>	<u>Unit Description</u>	<u>Original Cost (of each Unit)</u>
-----------------	-------------------------	---

The aggregate original cost of the Units described in this Exhibit A is  
\$ \_\_\_\_\_.

Schedule B  
to the  
Equipment Lease Agreement dated as of July 24, 1979  
between  
American Fletcher Leasing Corporation ("Lessor")  
and  
National Railway Utilization Corporation ("Lessee")

STIPULATED LOSS VALUES

The Stipulated Loss Value of a Unit of the Equipment covered by the Equipment Lease Agreement identified above, as of any Rental Payment Date, shall be an amount equal to the product of (i) the Original Cost of such Unit (as specified in the Supplement to such Agreement covering such Unit) and (ii) the percentage indicated below opposite the number identifying the consecutive Rental Payment due on such Rental Payment Date.

<u>Consecutive Rental Payment</u>	<u>Percentage</u>	<u>Consecutive Rental Payment</u>	<u>Percentage</u>
1	101.149	26	82.241
2	101.309	27	80.493
3	101.393	28	78.668
4	101.400	29	76.766
5	101.330	30	74.788
6	101.185	31	72.734
7	100.963	32	70.604
8	100.665	33	68.397
9	100.290	34	66.114
10	99.339	35	63.755
11	99.312	36	61.319
12	98.708	37	58.807
13	98.028	38	56.218
14	97.272	39	53.553
15	96.439	40	50.812
16	95.530	41	47.995
17	94.545	42	45.101
18	93.483	43	42.131
19	92.345	44	39.084
20	91.131	45	35.961
21	89.840	46	32.762
22	88.473	47	29.487
23	87.030	48	36.135
24	85.510	49	25.000
25	83.914		

After the 12th anniversary of the Term of Lease for such Unit, and until such time that such Unit has been surrendered to lessor, as set forth in the Lease, the Stipulated Loss Value of such Unit shall be 25% of the Original Cost thereof.

Schedule C  
to the  
Equipment Lease Agreement  
dated as of July 24, 1979  
between  
American Fletcher Leasing Corporation ("Lessor")  
and  
National Railway Utilization Corporation ("Lessee")  
Supplement No. \_\_\_\_\_  
to the  
Equipment Lease Agreement  
dated as of July 24, 1979  
between  
American Fletcher Leasing Corporation ("Lessor")  
and  
National Railway Utilization Corporation ("Lessee")

Lessee and Lessor have entered into the Equipment Lease Agreement identified above (hereinafter called the "Lease") pursuant to which Lessor has agreed to lease unto Lessee, and Lessee has agreed to lease from Lessor, subject to the terms and conditions of the Lease, the Units of property described in the Supplements to the Lease.

NOW, THEREFORE, Lessor and Lessee, by entering into this Supplement to the Lease, hereby confirm as follows:

1. Units. The Units described in Exhibit A hereto (hereinafter called the Units) have been delivered and leased by Lessor to Lessee, and have been accepted by Lessee, pursuant to the terms of the Lease.

2. Lease Term.

2.1 The Date of Acceptance and the date of commencement of the Term of Lease with respect to the Units  
is \_\_\_\_\_.

2.2 The date of termination of such term is \_\_\_\_\_.

3. Rental Payments.

3.1 Base Quarterly Rent. Lessee covenants and agrees to pay to Lessor on each March 31, June 30, September 30 and December 31 of each year during the period commencing on the date of commencement set forth in subsection 2.1 above and ending on the date of termination as set forth in subsection 2.2 above, a quarter-annual rental payment, in arrears, for the Units in an amount equal to \$ \_\_\_\_\_; provided; however, in the event that the Term of Lease shall commence on a day other than the first day of a

calendar quarter, the first and last quarter annual rental payments shall be pro-rated on a daily basis with the last rental payment being payable on the day before the 12th anniversary of the date of commencement of the Term of Lease.

3.2 Additional Rent.

3.2.1 Lessee agrees that in the event Lessor shall not be entitled to use an accelerated method of depreciation as of the Date of Acceptance with respect to all of the Units for Federal income tax purposes, which among other requirements shall include the "original use" beginning with Lessor (as that term is used in Section 167(c) of the Internal Revenue Code of 1954), the rental each month for each Unit as to which Lessor shall not be entitled to use such method shall be increased, as provided in subsection 2.3.2 of the Lease, and, in addition, Lessee shall pay to Lessor interest on the additional rental as provided in subsection 2.3.2 of the Lease.

AMERICAN FLETCHER LEASING CORPORATION ("Lessor")

By \_\_\_\_\_

NATIONAL RAILWAY UTILIZATION CORPORATION ("Lessee")

By \_\_\_\_\_

Exhibit A  
to  
Supplement No. \_\_\_\_\_  
to the Equipment Lease Agreement  
dated as of July 24, 1979  
between  
American Fletcher Leasing Corporation ("Lessor")  
and  
National Railway Utilization Corporation ("Lessee")

<u>Quantity</u>	<u>Unit Description</u>	<u>Original Cost (of each Unit)</u>
-----------------	-------------------------	---

The aggregate original cost of the Units described in this Exhibit A is  
\$ \_\_\_\_\_.