



NAC LEASING CORPORATION

222 SOUTH RIVERSIDE PLAZA • CHICAGO, ILLINOIS 60606 U.S.A. • (312) 648-4000 • TELEX 255222

RECORDATION NO. 9747 Filed 1425

October 6, 1978

OCT 10 1978 1:35 PM
INTERSTATE COMMERCE COMMISSION

9750
RECORDATION NO. Filed 1425
OCT 10 1978 1:35 PM
INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Secretary:

Please record this Lease Agreement under a new recordation number pursuant of the provisions of Section 20c of the Interstate Commerce Act, as amended, and the regulations of the Interstate Commerce Commission promulgated thereunder. I am enclosing herewith for filing and recording five (5) executed counterparts of the Lease Agreement, dated as of September 15, 1978, between Exchange National Bank of Chicago, as Lessor, and NAC Leasing Corporation, as Lessee, covering certain Units identified in the Schedule appended to the Lease Agreement.

A check in the amount of \$50.00 in payment for the recordation fee is herewith enclosed.

The name and address of the Lessor is:

Exchange National Bank of Chicago,
as Trustee
LaSalle and Adams Streets
Chicago, Illinois 60690

No. 8-283A161

The name and address of the Lessee is:

NAC Leasing Corporation
222 South Riverside Plaza
Chicago, Illinois 60606

Date OCT 10 1978
Fee \$ 50.00

ICC Washington, D. C.

A general description of the equipment covered by the above identified Lease Agreement is as follows:

7 - GP38-2 Locomotives as more fully described in the Schedule appended to the Lease Agreement.

Also, please cross reference this recordation under Recordation No. 9747 (which includes 9747A, 9747B and 9747C).

Handwritten signatures and notes on the left margin, including 'Lang Jones' and 'Sandy'.

RECEIVED

EEF OPERATION 88
I.C.C.
OCT 10 1 31 PM '78

TIGER LEASING GROUP

Interstate Commerce Commission
October 6, 1978
Page 2

It would be appreciated if the extra executed counterparts of the aforesaid Lease Agreement bearing the Commission filing and recordation stamps would be delivered to the messenger tendering same.

Very truly yours,



R. Edward Bates
Director - Legal

REB:db

enclosure

Interstate Commerce Commission
Washington, D.C. 20423

10/10/78

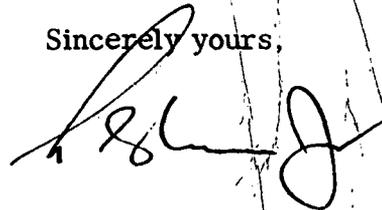
OFFICE OF THE SECRETARY

R. Edward Bates
NAC Leasing Corp.
222 South Riverside Plaza
Chicago, Illinois 60606

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 10/10/78 at 1:35pm and assigned recordation number(s) 9750 & 9747-~~E~~

Sincerely yours,



H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

RECORDATION NO. 9747 Filed 1426

OCT 10 1978 1:35 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9750 Filed 1426

OCT 10 1978 1:35 PM

INTERSTATE COMMERCE COMMISSION

L E A S E

THIS LEASE ("Lease") dated as of September 15, 1978, is between EXCHANGE NATIONAL BANK OF CHICAGO ("Lessor"), a national banking association, not in its individual capacity, but solely as Trustee under a Trust Agreement dated as of September 15, 1978, with Michigan National Leasing Corporation, as Beneficiary ("Beneficiary"), and NAC LEASING CORPORATION ("Lessee"), a Delaware corporation, with its principal office at 222 South Riverside Plaza, Chicago, Illinois.

Lessor agrees to lease to Lessee and Lessee agrees to hire from Lessor certain personal property (the "Units" and individually a "Unit") described in the Schedule (the "Schedule") attached hereto and made a part hereof, upon the terms and conditions hereinafter set forth:

Section 1. Procurement, Delivery and Acceptance.

1.1 Lessee agrees to lease from Lessor all Units described in the Schedule, said Units to be delivered to Lessor upon expiration of the Lease Agreement, dated September 15, 1978 ("Toledo, Peoria & Western Railroad Lease") between Lessor and Toledo, Peoria & Western Railroad; provided, however, that if the Toledo, Peoria & Western Railroad Lease shall have been terminated by reason of an Event of Default (as defined in the Toledo, Peoria & Western Railroad Lease), then the Lessor shall not be obligated to lease such Units to Lessee and Lessee shall have no obligation to lease from Lessor, unless Lessee were to exercise its option (which Lessor hereby grants to Lessee in the event of such termination of the Toledo, Peoria & Western Railroad Lease) to lease the Units at the same rental rate

and on the same terms and conditions in the Toledo, Peoria & Western Railroad Lease for the period from the date of such termination of the Toledo, Peoria & Western Railroad Lease until April 1, 1994.

1.2 Lessor shall deliver the Units to the Lessee at such place within the Continental U. S. on the Delivery Date, as herein defined, as designated in Section 14 of the Toledo, Peoria & Western Railroad Lease.

Lessee shall inspect the Units and if the Units are found to have been maintained in accordance with the Toledo, Peoria & Western Railroad Lease, the Lessee shall execute and deliver to Lessor dated as of the date of said acceptance (herein the "Delivery Date") an Acceptance Supplement in the form attached hereto ("Acceptance Supplement") indicating with respect to each Unit accepted that such Unit (i) has been accepted by Lessee as of the Delivery Date and (ii) has become subject to and governed by all the provisions of this Lease. Except as hereinafter provided in subsection 1.3, any Unit delivered to Lessee and found upon inspection by Lessee not to have been maintained in accordance with the Toledo, Peoria & Western Railroad Lease shall thereafter not be subject to, nor governed by, the provisions of this Lease.

1.3 In the event that any Unit sustains a Casualty Occurrence, as defined in Section 7 of the Toledo, Peoria & Western Railroad Lease, prior to the Delivery Date, a payment in lieu of delivery of said Unit shall be made to Lessee pursuant to the provisions of subsection 6.2 hereof.

Section 2. Term, Rent and Payment.

2.1 The term of this Lease as to each Unit shall commence on the Delivery Date in respect thereof and continue as specified in the Schedule.

2.2 The rental for each Unit delivered and accepted shall be in the amount set forth in the Schedule and shall be payable at the times set forth in the Schedule.

2.3 Rent and all other sums due Lessor hereunder shall be paid at the principal office of Lessor set forth above.

2.4 As to Units delivered and accepted by Lessee, this Lease is a net lease and Lessee shall not be entitled to any abatement or reduction of rent or any setoff against rent, whether arising by reason of any past, present or future claims of any nature by Lessee against Lessor or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessor or Lessee be otherwise affected by reason of any defect in, damage to, loss of possession or use or destruction of any of the Units however caused, by the attachment of any lien, encumbrance, security interest or other right or claim of any third party to any Unit, by any prohibition or restriction of or interference with Lessee's use of the Unit by any person or entity, or by the insolvency of or the commencement by or against Lessee of any bankruptcy, reorganization or similar proceeding, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the intention of the parties that all rent

and other amounts payable by Lessee hereunder shall be payable in all events in the manner and at the times herein provided unless Lessee's obligations in respect thereof have been terminated pursuant to the express provisions of this Lease.

Section 3. Warranties.

3.1 LESSEE ACKNOWLEDGES AND AGREES (a) THAT LESSOR HAS NOT SELECTED THE DESIGN, SIZE, CAPACITY OR MANUFACTURER OF ANY UNIT, (b) THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSES, (c) THAT LESSOR IS NOT A MANUFACTURER THEREOF NOR A DEALER IN PROPERTY OF SUCH KIND, and (d) THAT LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION OR WARRANTY OR COVENANT WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DESCRIPTION, DURABILITY OR SUITABILITY OF ANY SUCH UNIT IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE. Lessor hereby assigns to Lessee, to the extent assignable, any warranties, covenants and representations to which it may be entitled with respect to any Unit, provided that any action taken by Lessee by reason thereof shall be at the sole expense of Lessee and shall be consistent with Lessee's obligations pursuant to Section 2 hereunder.

3.2 Lessee acknowledges and agrees the Units delivered and accepted pursuant to Section 1 hereof are used Units.

Section 4. Possession, Use and Maintenance.

4.1 Lessee shall not use, operate, maintain or store any Unit improperly or carelessly and Lessee agrees to comply in all respects

(including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the Interchange Rules of the Association of American Railroads ("AAR") and with all lawful rules of the Department of Transportation, Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Unit, Lessee will conform therewith at its own expense; provided, however, that Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of Lessor, adversely affect the property or rights of Lessor under this Lease.

As long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease. Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to any Unit, including any accession thereto, or the interest of Lessor or Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises.

As long as Lessee shall not be in default under this Lease, the Lessee shall be entitled to sublease the Units. Lessee shall not

assign or permit the assignment of any Unit to service involving the regular operation and maintenance thereof outside the location specified in the Schedule.

4.2 Lessee shall at its sole expense at all times during the term of this Lease maintain the Units in good operating order, repair, condition and appearance.

4.3 Lessee shall not alter any Unit or affix or install any accessory, equipment or device on any Unit, if such alteration or addition will impair the originally intended function or use or reduce the value of any such Unit unless required to do so by a duly authorized governmental or regulatory agency. All repairs, parts, supplies, accessories, equipment and devices furnished, affixed, or installed to or on any Unit shall thereupon become the property of Lessor except that, if no Event of Default has occurred and is continuing, Lessee may remove at its expense any such accessories, equipment and devices at the expiration of the term with respect to such Unit, provided that such removal will not impair the originally intended function or use of such Unit and such accessory equipment or device will thereupon become the property of the Lessee.

4.4 Lessee will cause each Unit to be kept numbered with the identifying number set forth in the Acceptance Supplement applicable thereto, and keep and maintain, permanently, distinctly, and conspicuously marked on each side of each Unit in letters not less than one inch in height the words "Ownership subject to a Lease Agreement filed under the Interstate Commerce Act, Section 20c" or other appropriate words designated by Lessor, with appropriate

changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title to and property in such Unit and the rights of Lessor under this Lease. Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such legend shall have been so marked on both sides thereof and will replace promptly any such legend which may be removed, defaced or destroyed. Lessee will not change the identifying number of any Unit unless and until a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and filed, recorded and deposited by Lessee in all public offices where this Lease shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initials or other insignia customarily used by Lessee or its sublessees.

4.5 Upon prior notice to Lessee, Lessor shall have the right at all times convenient to the Lessee to enter upon the properties of the Lessee to inspect any Unit and observe its use at Lessor's expense.

Section 5. Taxes.

5.1 All payments to be made by Lessee hereunder will be free of expense to Lessor with respect to the amount of any local, state

or federal taxes (other than any federal, state or local net income taxes or franchise taxes measured by net income based on such receipts, except any such tax which is in substitution for or relieves Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties, together with any interest payable with respect thereto being hereinafter called "Impositions") hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which Impositions Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. Lessee will also pay promptly all Impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all Impositions which might in any way affect the title of Lessor or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any Impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of Lessor, adversely affect the title, property or rights of Lessor hereunder. If any Impositions shall have been charged or levied against Lessor directly and paid by Lessor, Lessee shall reimburse Lessor on presentation of an invoice therefor.

5.2 In the event any reports with respect to Impositions are required to be made, Lessee shall make such reports in such manner as shall be reasonably satisfactory to Lessor.

Section 6. Risk of Loss; Waiver and Indemnity.

6.1 In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any such occurrence being hereinafter called a "Casualty Occurrence") during the term of this Lease, Lessee shall promptly and fully notify Lessor with respect thereto. On the rental payment date next succeeding such notice Lessee shall pay to Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as defined in the Schedule) of such Unit as of the date of such payment as set forth in the Schedule. Upon the making of such payment by Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of loss, theft or complete destruction) Lessor shall be entitled if it so elects to recover possession of such Unit at its expense. Provided that Lessor has received the Casualty Value for any Unit, Lessee shall be entitled to the proceeds of any recovery in respect of such Unit from insurance or otherwise to the extent that they do not exceed the Casualty Value of such Unit, and any excess shall be retained by Lessor.

Except as hereinabove in this subsection 6.1 provided, Lessee shall not be released from its obligations hereunder from and after the Delivery Date with respect to such Unit until Lessee shall have fulfilled all of its obligations hereunder and Lessee shall bear the risk of any Casualty Occurrence to any Unit from and after the Delivery Date with respect to such Unit until such Unit has been redelivered to Lessor pursuant to Section 9 hereof.

6.2 In the event that any Unit shall have sustained a Casualty Occurrence at any time prior to the Delivery Date, Lessee shall be entitled to receive on the date set in the Toledo, Peoria & Western Railroad Lease for payment of the Casualty Value in lieu of delivery of said Unit that portion of the Casualty Value (as defined in the Schedule attached to the Toledo, Peoria & Western Railroad Lease) which is equal to 5% of Original Cost of the Unit having suffered said Casualty Occurrence.

6.3 Except as provided in subsection 6.2, Lessee hereby waives and releases any claim now or hereafter existing against Lessor on account of, and agrees to indemnify, reimburse and hold Lessor harmless from any and all claims (including, but not limited to, claims based upon strict liability in tort), losses, liabilities, demands, suits, judgments or causes of action, and all legal proceedings, and any costs or expenses in connection therewith, including attorneys'

fees and expenses which may result from or arise in any manner out of the condition, use or operation of any Unit during the term hereof, or which may be attributable to any defect in any Unit, arising from the material or any article used therein or from the design, testing or use thereof, or from any maintenance, service, repair, overhaul or testing of any Unit regardless of when such defect shall be discovered, whether or not such Unit is in the possession of Lessee, and no matter where it is located.

Section 7. Insurance.

Lessee at its own cost and expense shall keep the Units insured against all risks for the value of such Units and in no event for less than the Casualty Value of such Units as specified in the Schedule and shall maintain public liability and property damage insurance against such risks and for such amounts customarily insured against by Lessee or North American Car Corporation in respect of similar equipment owned by it. All such insurance shall name Lessor and Lessee as insureds and shall provide that such insurance may not be cancelled as to Lessor or altered without at least ten days prior written notice to Lessor. Lessee shall deliver to Lessor on or before the Delivery Date of each Unit evidence satisfactory to Lessor of all such insurance.

Section 8. Default.

8.1 If, during the term of this Lease, one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made by Lessee in the making of any payments to Lessor when due hereunder and such default shall continue for a period of ten days after receipt of written notice thereof to the Lessee;

(b) Any representation or warranty of Lessee contained herein or in any document furnished to Lessor in connection herewith shall be known to be untrue or incorrect in any material respect when made;

(c) Default shall be made in the observance or performance of any of the other covenants, conditions, agreements or warranties made by Lessee hereunder and such default shall continue for thirty days after written notice thereof to Lessee;

(d) Lessee shall commit any affirmative act of insolvency, or file any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or

(e) Any involuntary petition shall be filed under any bankruptcy statute against Lessee, or any receiver or trustee shall be appointed to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty days from the date of said filing or appointment;

then, in any such case, Lessor, at its option may:

(aa) 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; or

(bb) by notice in writing to Lessee terminate this Lease, whereupon all rights of Lessee to the use of the Units shall absolutely cease and terminate, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon the premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold the same free from any right of Lessee, its successors or assigns, but Lessor shall, nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have

accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 5% per annum discount, compounded semi-annually at the same frequency as rentals are paid hereunder, from the respective dates upon which rentals would have been payable hereunder had the Lease not been terminated, and (ii) any damages and expenses in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty contained in this Lease other than for the payment of rental.

8.2 In the event of any action at law or suit in equity in relation to this Lease, Lessee in addition to all other sums which Lessee may be required to pay, will, if Lessor prevails in such action or suit, pay to Lessor a reasonable sum for its attorneys' fees and all other costs and expenses of such action or suit.

8.3 The remedies hereunder provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity.

Section 9. Return of Units.

On or prior to the expiration of the term of this Lease or of any renewal term (hereinafter collectively "Expiration Date") or as

soon as practicable on or after such Expiration Date and in any event not later than sixty (60) days after such Expiration Date the Lessee will, at its own cost and expense, at the request of the Lessor cause each Unit to be transported to such point or points on any lines of railroad or premises within the United States as shall be reasonably designated by the Lessor immediately prior to such Expiration Date and arrange for the Lessor to store such Unit at such point or points for a period not exceeding sixty (60) days from the Expiration Date, the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Lessor or any prospective purchaser or Lessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Lessor pursuant to this Section 9 shall (i) be in the same operating order,

repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted with all Lessees or sublessees, if any, markings removed therefrom, having all times been maintained in accordance with Section 4 hereof, (ii) have attached or affixed thereto any part title to which is in the Lessor pursuant to Section 4 and have removed therefrom at Lessee's expense any part title to which is in the Lessee or any other person pursuant to Section 4 and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. If any Unit suffers a Casualty Occurrence during any storage period provided for in this Section 9, the Lessee shall pay to the Lessor the Casualty Value of such Unit as determined in accordance with Section 6 hereof. The Lessee shall pay rental at the rate of .00972% per day of the Purchase Price of any Unit not returned to the Lessor in accordance with this Section 9.

Section 10. Assignment.

All or any of the right, title or interest of Lessor in and to this Lease, and the rights, benefits and advantages of Lessor hereunder, including the rights to receive payment of rental or any other payment hereunder, and title to the Units, may be assigned or transferred by Lessor at any time. Any such assignment or transfer shall be subject and subordinate to the terms and provisions of this Lease and the rights and interests of Lessee hereunder. No assignment of this Lease or any right or obligation hereunder whatsoever may be made by Lessee or any assignee of Lessee without the prior written consent of Lessor.

Section 11. Further Assurances.

Lessee will, at its expense, do and perform any other act and will execute, acknowledge, deliver, file, register and record any further instruments which Lessor may reasonably request in order to protect Lessor's title to the Units, this Lease, and the rights and benefits thereof. This Lease and the Acceptance Supplement shall be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act prior to the Delivery Date of any Unit hereunder to which such documents relate.

Section 12. Late Payments.

Lessee shall pay to Lessor, on demand, interest at the rate of ten (10%) percent per annum on the amount of any payment not made when due hereunder from the due date thereof until payment is made.

Section 13. Effect of Waiver.

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default of Lessee hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lessor of any breach or default under this Lease must be in writing specifically set forth.

Section 14. Survival of Covenants.

All covenants of Lessee under Sections 2, 4, 5, 6, 8, 9 and 12 shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

Section 15. Applicable Law; Effect and Modifications of Lease.

15.1 This Lease shall be governed by, and construed under the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

15.2 This Lease exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Units and supersedes all prior agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing.

Section 16. Financial Information and Reports.

Lessee shall keep its books and records in accordance with generally accepted accounting principles and practices consistently applied and shall deliver to Lessor its quarterly and annual audited financial statements, the annual report to stockholders of Tiger International, Inc., certified by a firm of independent public accountants, and such other unaudited financial statements as may be reasonably requested by Lessor.

Lessee shall deliver to Lessor on or prior to March 31 of each year of the Lease term an annual report as to the physical condition of the Units as of the preceding December 31.

Section 17. Notices.

All demands, notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first-class postage prepaid, or delivered to a telegraph office, charges prepaid, addressed as follows:

To Lessor:

EXCHANGE NATIONAL BANK OF CHICAGO
at LaSalle and Adams Streets
Chicago, Illinois 60690

Attention: Corporate Trust Officer

To Lessee:

NAC LEASING CORPORATION
222 South Riverside Plaza
Chicago, Illinois 60606

Attention: President

or at such other address as may hereafter be furnished in writing by either party to the other.

Section 18. Amendment to Toledo, Peoria & Western Railroad Lease.

Lessor agrees that it will not amend, alter or waive the provisions of paragraphs 2, 3, 4 and 5 of Section 9 and Section 14 of the Toledo, Peoria & Western Railroad Lease without the prior written consent of Lessee, which consent shall not be unreasonably withheld.

Section 19. Counterparts.

Five counterparts of this Lease have been executed by the parties hereto, each of which so executed shall be deemed to be an original

and such counterparts together shall contribute but one and same instrument. One counterpart has been prominently marked "Lessor's Copy". One counterpart has been prominently marked "Lessee's Copy".

Section 20. Recording, Expenses.

Lessee, at its own expense, will cause this Lease to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act prior to the delivery and acceptance of any Unit hereunder.

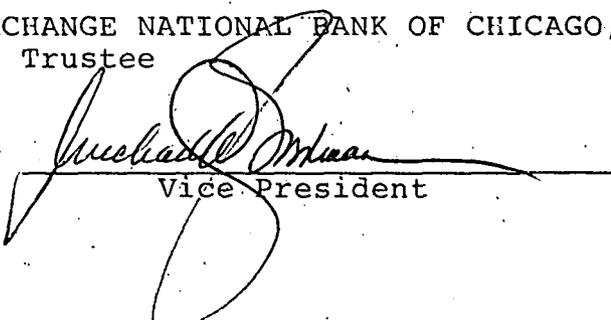
Section 21. Immunities; No Recourse.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Lessor, are made and intended not as personal representations, undertakings and agreements by Exchange National Bank of Chicago or for the purpose or with the intention of binding said national association personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Lease is executed and delivered by said national association not in its own right but solely in the exercise of the power expressly conferred upon it as trustee under the Trust Agreement; and except in the cases of negligence or wilful misconduct no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said national association or the Beneficiary on account of this Lease or on

account of any representations, undertakings or agreements of the said national association or the Beneficiary, either expressed or implied, all such personal liability against said Bank or the Beneficiary, if any, being expressly waived and released by the Lessee, the Agent and by all persons claiming by, through or under either of them.

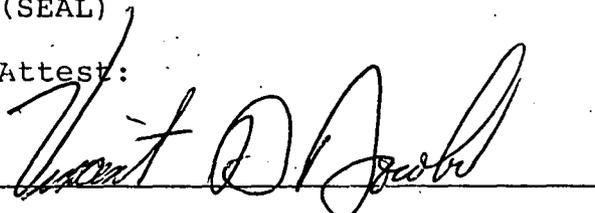
IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

EXCHANGE NATIONAL BANK OF CHICAGO,
as Trustee

By 
Vice President

(SEAL)

Attest:



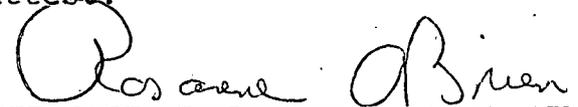
ASSISTANT TRUST OFFICER

NAC LEASING CORPORATION

By 

(SEAL)

Attest:



SECRETARY
ROSANNE O'BRIEN

SCHEDULE

Section 1. Description of Units and Maximum Purchase Price.

<u>Description</u>	<u>Estimated Unit Cost</u>
7 - GP38-2 General Motor Corporation Locomotives	\$ 480,000
TOTAL ESTIMATED COST	\$ 3,360,000

Section 2. Term.

The lease term for each Unit shall be sixty (60) months commencing on the Delivery Date.

Section 3. Rental.

The rental for each Unit shall be paid in ten (10) consecutive semi-annual installments commencing six (6) months following Delivery Date. Each semi-annual rental for each Unit shall be in an amount equal to 1.7500% of the Purchase Price in respect thereto.

Section 4. Availability Date.

April 1, 1994

Section 5. Location.

Continental United States or Canada

Section 6. Casualty Value and Termination Value.

The Casualty Value and Termination Value of each Unit as of each rental payment date in respect thereto shall be that percentage of the Purchase Price of such Unit as is set forth below opposite the number of the rental payment in respect of such Unit which is due on such date.

<u>Rental Payment No.</u>	<u>Percentage</u>
0 (Delivery Date)	28.9672
1	28.1957
2	27.3982
3	26.5737
4	25.7214
5	24.8403
6	23.9294
7	22.9878
8	22.0143
9	21.0080
10 and Thereafter	20.0000

Section 7. Early Termination.

Provided that the Lease has not been earlier terminated and the Lessee is not in default thereunder, Lessee shall have the right at its option, during the term of the Lease on at least sixty (60) days' prior written notice to Lessor, to terminate the Lease with respect to any or all of the Units subject to the Lease as of the Delivery Date or any date on which a rental payment in respect of each such Unit is due (hereinafter for purposes of this paragraph called with

respect to each such Unit the "Termination Date"), specified in such notice, provided that Lessee shall have made a good faith determination that the Units are obsolete to Lessee requirements. During the period from the giving of such notice until the Termination Date, Lessee as agent for Lessor shall use its best efforts to obtain bids for the purchase of each such obsolete Unit described in such notice. Lessee shall certify to Lessor in writing the amount and terms of each bid received by Lessee and the name and address of the party (who shall not be Lessee or any person, firm or corporation affiliated or a shareholder of Lessee) submitting such bid. On each such Termination Date, Lessor shall, without recourse or warranty, sell such Unit for cash to the bidder who shall have submitted the highest bid prior to such date. The total sale price realized at such sale shall be retained by Lessor and, in addition, on each such Termination Date, Lessee shall pay to Lessor the excess, if any, of the Termination Value, as defined in Section 6 hereof, for the Unit computed as of such date, over the sale price of the Unit sold by Lessor after all expenses incurred by Lessor in connection with such sale. The Termination Value with respect to any Unit as of each rental payment date in respect thereto shall be that percentage of the Purchase Price of such Unit as is set forth in Section 6 hereof opposite the relevant date. If no sale shall have occurred on or as of the Termination Date, the Lease shall continue in full force and effect as to the Unit; provided, however, that Lessee may subsequently terminate, or attempt to terminate, the Lease in respect of any Unit pursuant to this paragraph during the remaining term. In the event of any such sale and upon compliance by Lessee

with the provisions of this paragraph, the obligation of Lessee to pay rent hereunder with respect to such Unit after the Termination Date shall cease and the term for such Unit shall end on the Termination Date.

ACCEPTANCE SUPPLEMENT

Reference is made to the Lease Agreement dated as of _____, 1978, between EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee and NAC LEASING CORPORATION, as Lessee. The terms used herein shall have the same meaning as such terms have in such Lease Agreement.

The undersigned certifies that the following Units have been accepted by Lessee for leasing under the Lease, that such Units have become subject to and governed by the provisions of the Lease, and that Lessee is obligated to pay the rentals and all other sums provided for in the Lease with respect to such Units.

<u>Description of Units</u>	<u>Identifying Number</u>	<u>Purchase Price</u>
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Total Purchase Price	\$ _____
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The Delivery Date in respect of such Units is:

IN WITNESS WHEREOF, the undersigned has executed this Acceptance Supplement as of the Delivery Date set forth above.

NAC LEASING CORPORATION

By _____

