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RECORDATION NO._____ Filed & ...

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INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of March 1, 1974

between

NORTH AMERICAN CAR CORPORATION

and

AMERICAN SECURITY AND TRUST COMPANY,
as Trustee

LEASE OF RAILROAD EQUIPMENT dated as of March 1, 1974, between NORTH AMERICAN CAR CORPORATION (hereinafter called the Lessee), and AMERICAN SECURITY AND TRUST COMPANY, as Trustee (hereinafter, together with its successors and assigns, being called the Lessor), under a Trust Agreement dated as of the date hereof with AUBREY G. LANSTON & CO., INC. (hereinafter called the Beneficiary).

WHEREAS, the Lessor is entering into conditional sale agreements dated as of the date hereof with Pullman Incorporated (Pullman-Standard division) and the Lessee, as builder, respectively (such agreements being hereinafter called the Security Documents and Pullman Incorporated (Pullman-Standard division) and the Lessee, as builder thereunder, being called Builders) wherein the Builders have agreed to manufacture, sell and deliver to the Lessee the units of railroad equipment described in Schedule A hereto (hereinafter called the Equipment);

WHEREAS, the Builders are assigning their respective interests in the Security Documents to FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not in its individual capacity, but solely as agent (hereinafter, together with its successors and assigns, being called the Vendor); and

WHEREAS, the Lessee desires to lease all the units of the Equipment, or such lesser number (hereinafter called the Units) as are delivered and accepted and settled for under the Security Documents at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions;

§ 1. *Net Lease.* This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or under the Security Documents, including the Lessee's rights by subrogation thereunder or the Builders or the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the

Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

§ 2. *Delivery and Acceptance of Units.* The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Security Documents. The Lessor will cause each Unit to be delivered to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Security Documents. Upon such delivery, the Lessee will cause an inspector of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit and execute and deliver to the Lessor a certificate of acceptance (hereinafter called the Certificate of Acceptance) in accordance with the provisions of Article 3 of the Security Documents, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Lessor on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. *Rentals.* The Lessee agrees to pay to the Lessor, as rental for each unit subject to the Lease, 41 consecutive semiannual payments payable on February 1 and August 1 in each year commencing August 1, 1974. The first semiannual rental payment shall be in an amount equal to .024306% of the Purchase Price (as defined in the Security Documents) of each Unit then subject to this Lease for each day elapsed from and including the Closing Date (as defined in the Security Documents) for such Unit to August 1, 1974. The next 10 semiannual rental payments shall each be in an amount equal to 2.92500% of the Purchase Price of each Unit then subject to this Lease. The next 18 semiannual rental payments shall each be in an amount equal to 3.99045% of the Purchase Price of each Unit then subject to this Lease. The next 12 semiannual rental payments shall each be in an amount equal to 6.04656% of the Purchase Price of each Unit then subject to this Lease.

The rental payments hereinbefore set forth are subject to adjustment pursuant to § 17 hereof. If any of the semiannual rental payment dates referred to above is not a business day the semiannual rental payment otherwise payable on such date shall be payable on the next preceding business day.

The Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease (except for payments made pursuant to § 17 hereof which are in excess of amounts required to be paid pursuant to the first paragraph of this § 3 and § 7 hereof) at the principal office of the Vendor, for the account of the Lessor, in care of the Vendor, with instructions to the Vendor first to apply such payments to satisfy the obligations of the Lessor under the Security Documents known to the Vendor to be due and payable on the date such payments are due and payable hereunder and second, so long as no event of default under the Security Documents shall have occurred and be continuing, to pay any balance promptly to the Lessor at such place as the Lessor shall specify in writing. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in immediately available or Federal funds not later than 11:00 a.m., in the city where such payment is to be made.

§ 4. *Term of Lease.* The original term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the

date on which the final payment of rent in respect thereof is due pursuant to §3 hereof.

Notwithstanding anything to the contrary contained herein, all rights and obligations under this Lease and in and to the Units, upon default by the Lessee hereunder, or under the Security Documents in its capacity as guarantor or otherwise, are subject to the rights of the Vendor under the Security Documents. If an event of default should occur under the Security Documents, the Vendor may terminate this Lease (or rescind its termination), all as provided therein, unless the Lessee is not so in default under this Lease or under the Security Documents.

§ 5. *Identification Marks.* The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed under the Interstate Commerce Act, Section 20c" or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's and Vendor's title to and property in such Unit and the rights of the Lessor under this Lease and of the Vendor under the Security Documents. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Documents shall have been filed, recorded and deposited pursuant to § 16 hereof and (ii) the Lessee shall have furnished the Vendor and the Lessor an opinion of counsel to the effect set forth in subparagraph C of §15 hereof in respect of such statement.

Except as provided in the immediately preceding paragraph, the 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 the Lessee or its affiliates or any authorized sublessee.

§ 6. *Taxes.* All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, Federal, or foreign taxes, including gross receipts taxes in the nature of sales or use taxes (other than any United States Federal income tax payable by the Lessor in consequence of the receipt of payments provided for herein and other than the aggregate of all state or city income taxes or franchise taxes measured by net income based on such receipts, or gross receipts taxes to the extent such gross receipts taxes are in substitution for or release the Lessor from the payment of taxes it would otherwise be obligated to pay without reimbursement from Lessee hereunder, up to the amount of any such taxes which are then payable to the state and city in which the Lessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the 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 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 or the Security Documents, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The 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 the 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 the 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 opinion of the Lessor, adversely affect the title, property or rights of the Lessor hereunder or the Vendor under the Security Documents. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor,

the Lessee shall reimburse the Lessor on presentation of an invoice therefor. The Lessee intends to operate the Units within the United States. If, however, during the term of this Lease the operation of the Unit results in foreign taxes for which the foreign tax credit is not used by the Lessor, then the Lessee shall reimburse Lessor for any such foreign taxes resulting from said operation. The Lessor shall not be required to offset any foreign taxes which it may incur against United States income tax. If, however, the Lessor elects to offset said foreign taxes against United States income taxes, then the Lessee shall have no obligation to indemnify the Lessor therefor. In the event that subsequent to such indemnification the Lessor subsequently applies foreign taxes against its United States taxes then the Lessor shall reimburse the Lessee to the extent thereof. All payments made pursuant hereto shall be made during the taxable year within which the foreign taxes are paid. At the request of the Lessee, the Lessor agrees to inform the Lessee in writing whether the foreign tax credit has been used and to provide such information as the Lessee may reasonably request to establish the application or non-application of such credit.

In the event that the Lessor shall become obligated to make any payment to the Builder or the Vendor or otherwise pursuant to any correlative provision of the Security Documents not covered by the foregoing paragraph of this §6, the Lessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said provision.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor and the Vendor in such Units or notify the Lessor and the Vendor of such requirement and make such reports in such manner as shall be satisfactory to the Lessor and the Vendor; *provided, however,* that the Lessor and the Vendor shall provide such information and assistance as shall be appropriate in the circumstances.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this §6, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§ 7. *Payment for Casualty Occurrences Insurance.* In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Lessor or the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, the Lessee shall promptly and fully notify the Lessor and the Vendor with respect thereto in the manner set forth in § 8 hereof. On the rental payment date next succeeding such notice (or, in the event of a Casualty Occurrence during the period the Units are being returned pursuant to §14 hereof 60 days after such Casualty Occurrence) the Lessee shall pay to the 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 hereinafter defined) of such Unit as of the date of such payment in accordance with the schedule set out below. Upon the making of such payment by the 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 the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit. The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit. If such proceeds exceed such Casualty Value, the Lessee shall pay one-half of any excess to the Lessor after deduction from such excess of the reasonable expenses of the Lessee incident to such sale.

The Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of such Unit as is set forth in the following schedule opposite such date:

Date	Percentage
August 1, 1974	88.9939%
February 1, 1975	92.2496
August 1, 1975	95.1889
February 1, 1976	97.7431
August 1, 1976	99.9811

Date	Percentage
February 1, 1977	101.8415
August 1, 1977	103.3851
February 1, 1978	104.5567
August 1, 1978	105.4154
February 1, 1979	105.9102
August 1, 1979	106.0886
February 1, 1980	105.0309
August 1, 1980	103.6579
February 1, 1981	102.5773
August 1, 1981	101.1986
February 1, 1982	99.7246
August 1, 1982	98.1604
February 1, 1983	96.5115
August 1, 1983	94.7806
February 1, 1984	92.9761
August 1, 1984	91.0980
February 1, 1985	89.1576
August 1, 1985	87.1524
February 1, 1986	85.0964
August 1, 1986	82.9845
February 1, 1987	80.8274
August 1, 1987	78.6185
February 1, 1988	76.3632
August 1, 1988	74.0521
February 1, 1989	69.6563
August 1, 1989	65.1424
February 1, 1990	60.5407
August 1, 1990	55.8354
February 1, 1991	51.0420
August 1, 1991	46.1400
February 1, 1992	41.1505
August 1, 1992	36.0423
February 1, 1993	30.8893
August 1, 1993	25.6525
February 1, 1994	20.4422
August 1, 1994, and thereafter	15.0000

The foregoing percentages have been computed without regard to recapture of the Investment Credit (as defined in Section 17 hereof). Consequently, the Casualty Value of any Unit Suffering a Casualty Occurrence on or before the third, fifth and seventh anniversary of the date of delivery and acceptance of such Unit shall be increased by the applicable percentage of the Purchase Price set forth below.

Anniversary of Delivery and Acceptance	Percentage of Purchase Price
Third	15.2962%
Fifth	10.1974
Seventh	5.0987

Except as hereinabove in this §7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee will cause to be carried and maintained for the benefit of the Lessor policies of insurance on the Units subject to this Lease insuring the Lessee against loss or damage resulting from risks comparable to those risks customarily insured against by railroad companies; *provided, however,* that the Lessee shall not be required to insure any such unit, if the risks in connection therewith are borne by any sub-lessee or user permitted by the terms of this Lease.

§ 8. *Reports.* On or before March 31 in each year, commencing with the calendar year 1975, the Lessee will furnish to the Lessor and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Security Documents, the amount, description and numbers of all Units that have suffered a Casualty Occurrence or are then undergoing repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running repairs) during the preceding calendar year and such other information regarding the condition and state of repair of the Units as the Lessor or the Vendor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by §5 hereof and the Security Documents have been preserved or replaced. The

Lessor shall have the right by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

§ 9. *Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification.* **The Lessor makes no warranty or representation, either express or implied, as to the design or condition of, or as to the quality of the material, equipment or workmanship in, the Units delivered to the Lessee hereunder, and the Lessor makes no warranty of merchantability or fitness of the Units for any particular purpose or as to title to the Units or any component thereof,** it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the Builder under the provisions of Article 14 of the Security Documents. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Lessor and the Vendor, 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 and with all lawful rules of the Department of Transportation, the 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, the Lessee will conform therewith at its own expense; *provided, however,* that the 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 opinion of the Lessor or the Vendor, adversely affect the property

or rights of the Lessor or the Vendor under this Lease or under the Security Documents.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit in good order and repair, ordinary wear and tear excepted.

Any and all additions to any Unit and any and all parts installed on and additions and replacements made to any Unit shall constitute accessions to such Unit and, at the cost and expense of the Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Security Documents) shall immediately be vested in the Lessor and the Vendor as their respective interests appear in the Unit itself.

The Lessee agrees to indemnify, protect and hold harmless the Lessor and the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of the entering into or the performance of the Security Documents or this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in § 14 of this Lease. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor or the Vendor of the Units or the leasing thereof to the Lessee; *provided, however,* that the Lessor shall, to the extent appropriate, join in and execute such reports.

§ 10. *Default.* If, during the continuance of this Lease, one or more of the following events (each such event being hereinafter sometimes called an Event of Default) shall occur:

A. default shall be made in payment of any part of the rental provided in § 3 hereof, and such default shall continue for ten days;

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any thereof;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Security Documents, and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied;

D. any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or under the Security Documents under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Security Documents), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and under the Security Documents shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

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

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof including net after tax losses of Federal and state income tax benefits to which the Lessor would otherwise be entitled under this Lease; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall

absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the 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 the 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 rentals 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 the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on a basis of a rate of 9% per annum, discount, compounded semiannually, from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental, and (iii) an amount which, after deduction of all taxes required to be paid by the Lessor in respect of the receipt thereof under the laws of the United States of America or any political subdivision thereof, shall, in the reasonable opinion of the Lessor, cause the Lessor's net return under this Lease to be equal to the net return that would have been available to the Lessor if it had been entitled to utilization of all or such portion of the Investment Credit (as defined in § 17 hereof) lost, not claimed, not available for claim, disallowed or recaptured by or from the Lessor as a result of the breach of one or more of the representations, warranties and covenants made by the

Lessee in § 17 or any other provision of this Lease or the sale or other disposition of the Lessor's interest in any Unit after the occurrence of an Event of Default, plus such sum as shall, in the reasonable opinion of the Lessor, cause the Lessor's net return under this Lease to be equal to the net return that would have been available to the Lessor if it had been entitled to utilization of all or such portion of the ADR Deduction (as defined in § 17 hereof) which was lost, not claimed, not available for claim or disallowed or recaptured in respect of a Unit as a result of the breach of one or more of the representations, warranties and covenants made by the Lessee in § 17 or any other provision of this Lease, the inaccuracy of any statement in any letter or document furnished to the Lessor by the Lessee, the termination of this Lease, the Lessee's loss of the right to use such Unit or the sale or other disposition of the Lessor's interest in such Unit after the occurrence of an Event of Default, to the extent the Lessor shall not have previously been indemnified therefor by the Lessee pursuant to §17 hereof.

The remedies in this Lease provided in favor of the 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. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

§ 11. *Return of Units Upon Default.* If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith place such Units upon such storage tracks or shall cause such Units to be transported to such point or points as the Lessor reasonably may designate; and

(b) permit the Lessor to store such Units on such tracks at the risk of the Lessee for a period not exceeding six months.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and 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 assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 11, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§ 12. *Assignment; Possession and Use.* This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including, but not limited to, the rights under §§ 6, 7, 10 and 17 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns (including the partners or any beneficiary of any such assignee if such assignee is a partnership or a trust, respectively).

The 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 (other than an encumbrance created by the Lessor or the Vendor or resulting from claims against the Lessor or the Vendor not related to the ownership of the Units) upon or with respect to any Unit, including any accession thereto, or the interest of the Lessor, the Vendor or the Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or

control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as the Lessee shall not be in default under this Lease or under the Security Documents in its capacity as Guarantor or otherwise, the Lessee and any of its affiliates shall be entitled to the possession and use of the Units in accordance with the terms hereof, and the Lessee may also (*a*) furnish the Units or any part thereof to railroad companies for use upon the lines of railroad owned or operated by them or over which they have trackage rights and upon connecting and other carriers in the usual interchange of traffic, or to others than railroad companies, or (*b*) lease all or any part of the Units to any person or entity, but only, in either case, upon and subject to all the terms and conditions of this Lease and the Security Documents, and to all rights of the Vendor under the Security Documents and of the Lessor hereunder.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled (subject to the rights of the Vendor and the Lessor referred to in the next preceding paragraph) to the possession of the Units included in such sublease and the use thereof, and, subject to the provisions of §5, may provide for lettering or marking upon such Units for convenience of identification of the leasehold interest of such sublessee therein. Every such sublease shall be subject to the rights of the Vendor under the Security Documents and the Lessor under this Lease in respect of the Units covered by such sublease in the event of the happening of an event of default thereunder or an Event of Default hereunder.

The Lessor shall have the right to declare the lease provided for herein terminated in case of any unauthorized assignment or transfer of the Lessee's rights hereunder or in case of any unauthorized transfer or sublease of any of the Units.

The Lessee agrees not to use or permit the use at any one time of Units having a aggregate Purchase Price in excess of 10% of the aggregate Purchase Price of all the then existing Units in any jurisdictions in which the security title of the Vendor or the title of the Lessor have not been effectively protected.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or

possession of the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder and under the Security Documents) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger or consolidation, be in default under any provision of this Lease.

§ 13. *Renewal Option.* The Lessor intends to retain the Units for re-lease at the expiration of the term of this Lease. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than six months prior to the end of the original term of this Lease elect to extend the term of this Lease in respect of all of such Units then subject to this Lease for one additional 5-year period commencing on the scheduled expiration of the original term of this Lease, at a rental payable in semiannual payments on February 1 and August 1 in each year of such extended term at a rate equal to 2% of the Purchase Price of each Unit then subject to this Lease.

If the Lessee shall not exercise such renewal option and returns the Units to the Lessor at the end of the initial term of this Lease and the Lessor sells the Units in a commercially reasonable manner for a sale price which is less than 12½% of the original Purchase Price, there shall be deemed to have been excess use of the Units by the Lessee beyond that permitted by §12 hereof, and the Lessee shall pay to the Lessor the difference between the sale price and 12½% of the original Purchase Price of the Units.

In the event the Lessor elects to sell such Units to third parties at the expiration of the original or extended term of this Lease, the Lessor shall in a commercially reasonable manner solicit offers to buy such Units, and upon receipt thereof shall exhibit to the Lessee a true copy of the most favorable offer, and the Lessee shall have a right of first refusal exercisable by written notice, delivered within 15 days of the receipt of said copy, to purchase such Units at the sale price set forth in such offer.

§ 14. *Return of Units upon Expiration of Term.* As soon as practicable on or after the expiration of the original or extended term of this Lease with respect to any Unit, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon

such storage tracks as the Lessor may designate, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding three months and transport the same, at any time within such three-month period, to any reasonable place on the lines of any railroad within the United States at an expense not greater than the cost to return to Chicago for shipment, all as directed by the Lessor; the movement and storage of such Unit shall 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 of such Unit, to inspect the same; *provided, however,* that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The assembling, 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 assemble, deliver, store and transport the Units. If the Lessor shall elect to abandon any Unit which has suffered a Casualty Occurrence or which after the expiration of this Lease the Lessor shall have deemed to have suffered a Casualty Occurrence, it may deliver written notice to such effect to the Lessee and the Lessee shall thereupon assume and hold the Lessor harmless from all liability arising in respect of any responsibility of ownership thereof, from and after receipt of such notice. The Lessor shall execute and deliver to the Lessee a bill of sale or bills of sale transferring to the Lessee, or upon its order, the Lessor's title to and property in any Unit abandoned by it pursuant to the immediately preceding sentence. The Lessee shall have no liability to the Lessor in respect of any Unit abandoned by the Lessor after termination of the Lease; *provided, however,* that the foregoing clause shall not in any way relieve the Lessee of its obligations pursuant to § 7 hereof to make payments equal to the Casualty Value of any Unit experiencing a Casualty Occurrence while this Lease is in effect.

§ 15. *Representations and Warranties; Opinion of Counsel.* The Lessee represents and warrants as follows:

A. the Lessee is a corporation legally incorporated, validly existing and in good standing under the laws of its state of incorporation with

adequate corporate power to enter into the Security Documents and this Lease;

B. the Security Documents and this Lease have been duly authorized, executed and delivered by the Lessee and constitute valid, legal and binding agreements of the Lessee, enforceable in accordance with their respective terms;

C. the Security Documents (and any assignment thereof) and this Lease (and any assignment hereof) have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and such filing and recordation will protect the Vendor's and the Lessor's interests in and to the Units and this Lease and no filing, recording or deposit (or giving of notice) with any other federal, state or local government is necessary in order to protect the interests of the Vendor or the Lessor in and to the Units and this Lease in any state of the United States of America or in the District of Columbia;

D. no approval is required from any public regulatory body with respect to the entering into or performance of the Security Document or this Lease;

E. the entering into and performance of the Security Documents or this Lease will not result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Lessee is a party or by which it may be bound; and

F. no mortgage, deed of trust, or other lien of any nature whatsoever which now covers or affects, or which may hereafter cover or affect, any property or interests therein of the Lessee, now attaches or hereafter will attach to the Units or in any manner affects or will affect adversely the Vendor's or Lessor's right, title and interest therein; *provided, however,* that such liens may attach to the rights of the Lessee hereunder in and to the Units.

G. no material adverse change has occurred in the condition, financial or otherwise, of the Lessee since December 31, 1973.

The Lessee agrees that on each Closing Date the Lessee will deliver to the Lessor and the Trustee a certificate of a Vice President of the Lessee to the

effect that such representations and warranties are true and correct on such date.

On each Closing Date the Lessee will deliver to the Lessor two counterparts of the written opinion of counsel for the Lessee, addressed to the Lessor and the Vendor, in scope and substance satisfactory to the Lessor, the Vendor and their respective counsel, to the effect set forth in clauses A through F in the immediately preceding paragraph.

§ 16. *Recording.* The Lessee, at the expense of the Lessee, will cause this Lease, the Security Documents and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. This Lease and the Security Documents shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit. The Lessee will undertake the filing, registering, deposit, and recording required of the Lessor under the Security Documents and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Security Documents or the assignment thereof to the Vendor; and the Lessee will promptly furnish to the Vendor and the Lessor evidences of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor; *provided, however,* that the Lessor and the Lessee shall not be required to take any such action referred to in Article 19 of the Security Documents (other than filing and recording under Section 20c of the Interstate Commerce Act) if (1) the Lessee deems such action unduly burdensome and (2) after giving effect to the failure to take such action, all action required by law has been taken so as to protect the security title of the Vendor to units of Equipment having a Purchase Price of not less than 90% of the aggregate Purchase Price of all of the then existing Units. This Lease and the Security Documents shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 17. *Federal Income Taxes.* The Lessor, as the owner of the Units, shall be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (hereinafter called the Code), to an owner of property, including, without limitation, (i) the maximum depreciation deduction with respect to the Units authorized under section 167 of the Code utilizing the "asset depreciation range" of twelve years for the Units prescribed in accordance with section 167(m) of the Code, for an asset described in Asset Guideline Class No. 00.25 as described in Revenue Procedure 72-10, 1972 IRB 8, employing the double-declining-balance method of depreciation switching to the sum-of-the-years-digits method of depreciation when most beneficial to the Lessor, utilizing the half-year convention as provided in regulation 1.167(a)-11(c)(3)(ii) (such deduction being herein called the ADR Deduction), (ii) deductions with respect to interest payable under the Security Documents pursuant to section 163 of the Code (such deduction being herein called the Interest Deduction), and (iii) the 7% investment credit (herein called the Investment Credit) with respect to the Purchase Price of the Units pursuant to section 38 and related sections of the Code. The Lessor agrees that it will claim the Investment Credit, the ADR Deduction and the Interest Deduction to the extent permissible under the Code.

The Lessee agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing and that each of such corporations will file such returns, take such actions and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof.

Notwithstanding anything to the contrary contained in §12 hereof, the Lessee represents and warrants that (i) all the Units constitute property the full Purchase Price of which qualifies for the Investment Credit under section 50 of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of section 48(b) of the Code and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (iii) at all times during the term of this Lease, each Unit will constitute "section 38

property" within the meaning of section 48(a) of the Code; (iv) the Lessee will maintain sufficient records to verify such use; and (v) upon request of the Lessor, the Lessee will provide written reports establishing such use.

If (a) for any reason (other than for the reasons set forth below) prior to the receipt by the Lessor of the Ruling (as defined in §19 hereof), or (b) by reason of the inaccuracy in law or in fact of the representations and warranties set forth in the preceding paragraph or any act or omission of the Lessee or the inaccuracy of any statement in any letter or document furnished to the Lessor by the Lessee in connection with the application of the Lessor for the Ruling, the Lessor shall lose, or shall not have, or shall lose the right to claim, or shall suffer a disallowance of or shall be required to recapture, all or any portion of the Investment Credit, the ADR Deduction, or the Interest Deduction with respect to all or part of any Unit, then the rentals for the Units set forth in §3 hereof shall, on the next succeeding rental payment date after written notice to the Lessee by the Lessor of such fact, be increased to such amount or amounts as shall, in the reasonable opinion of the Lessor, cause the Lessor's net return to equal the net return that would have been realized by the Lessor if the Lessor had been entitled to utilize all the Investment Credit, the ADR Deduction and the Interest Deduction, and the Lessee shall forthwith pay to the Lessor as additional rental the amount of any interest and/or penalties which may be assessed by the United States of America or any other taxing jurisdiction against the Lessor attributable to the loss of all or such portion of the Investment Credit, the ADR Deduction or Interest Deduction; *provided, however,* that such rental rate shall not be so increased if the Lessor shall have lost, or shall not have, or shall have lost the right to claim, or shall have suffered a disallowance of, or shall have been required to recapture all or any portion of the Investment Credit, the ADR Deduction or the Interest Deduction with respect to all or part of such Unit as a direct result of the occurrence of any of the following events:

(i) a Casualty Occurrence with respect to such Unit, if the Lessee shall have paid to the Lessor the amounts stipulated under §7 hereof;

(ii) a transfer or other disposition by the Lessor of any interest in such Unit or the reduction by the Lessor of its interest in the rentals from such Unit under the Lease, unless, in each case, an Event of Default shall have occurred and be continuing;

(iii) the failure of the Lessor to claim in a timely manner the Investment Credit, the ADR Deduction or the Interest Deduction;

(iv) the failure of the Lessor to have sufficient liability for Federal income tax against which to credit such Investment Credit or sufficient income to benefit from the ADR Deduction or the Interest Deduction, as applicable;

(v) the failure of the Lessor to take timely action in contesting a claim made by the Internal Revenue Service with respect to the disallowance of such Investment Credit, ADR Deduction or Interest Deduction, if the failure to take such action in a timely manner shall have precluded the right of the Lessee to contest such claim, or a failure to take action to contest any such claim after a timely request to conduct such contest has been given by the Lessee to the Lessor (provided that the Lessee shall upon demand of the Lessor pay to the Lessor the expenses of any such contest as a condition of prosecuting the same); or the release, waiver, compromise or settlement of any action or proceeding taken in accordance with this clause (v) by the Lessor without the prior written consent of the Lessee;

(vi) any amendment of the Security Documents without the prior written consent of the Lessee; or

(vii) any other fault of the Lessor which directly causes the loss of any of the aforesaid tax benefits; *provided, however,* that the execution and delivery of this Lease and the other documents herein referred to and the carrying out of the transactions contemplated herein and therein in accordance with the terms of this Lease and such other documents shall not be deemed to have caused the loss of such tax benefit under this clause (vii).

In the event a claim shall be made by the Internal Revenue Service with respect to the disallowance of the Lessor's Investment Credit, ADR Deduction or Interest Deduction in respect of any Unit, the Lessor agrees to take such action in connection with contesting such claim as the Lessee shall reasonably request from time to time; *provided, however,* that: (i) within 30 days after notice by the Lessor to the Lessee of such claim, the Lessee shall make request that such claim be contested; (ii) the Lessor, at its sole option, may forego any and all administrative appeals, proceedings, hearings and

conferences with the Internal Revenue Service in respect of such claim and may, at its sole option, either pay (in which event the additional rental provided for in this § 17 will become due and payable) the tax claimed and sue for a refund in the appropriate United States District Court and/or the United States Court of Claims, as the Lessor shall elect, or contest such claim in the Tax Court of the United States, considering, however, in good faith such request as the Lessee shall make concerning the most appropriate forum in which to proceed; (iii) prior to taking such action, the Lessee shall have furnished the Lessor with an opinion of independent tax counsel satisfactory to the Lessor to the effect that a meritorious defense exists to such claim; and (iv) the Lessee shall have indemnified the Lessor in a manner satisfactory to it for any liability or loss which the Lessor may incur as the result of contesting such claim and shall have agreed to pay the Lessor on demand all costs and expenses which the Lessor may incur in connection with contesting such claim, including, without limitation (A) reasonable attorneys' and accountants' fees and disbursements and (B) the amount of any interest or penalty which may ultimately be payable to the United States Government as the result of contesting such claim, and the Lessee shall have furnished reasonable security for such indemnification as may be requested. In the case of any such claim by the Internal Revenue Service referred to above, the Lessor agrees promptly to notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed for at least 30 days after the giving of such notice and agrees to give to the Lessee any relevant information relating to such claim which may be particularly within the knowledge of the Lessor, and shall otherwise cooperate with the Lessee in good faith in order to effectively contest any such claim. The Lessor will not agree to the release, compromise or settlement of any action or proceeding taken in accordance with this § 17 by the Lessor without the prior written consent of the Lessee.

If the Lessor's right to claim all or any part of the full Investment Credit, ADR Deduction or Interest Deduction with respect to a Unit, which was not claimed or was disallowed, shall be established by the final judgment or decree of the court or administrative agency having jurisdiction thereof, or if the Lessor shall release, waive, compromise or settle any claim without the written consent of the Lessee, then, on the next succeeding rental payment date thereafter, or after such judgment or decree shall have become final, as the case may be, the rental rate in respect of such Unit set forth in § 3 of this Lease shall again become applicable to such Unit and the

Lessor shall forthwith upon demand of the Lessee reimburse Lessee in an amount equal to the excess, if any, of (i) the sum of (A) the difference between the increased rental paid by the Lessee with respect to such Unit pursuant to the fourth paragraph of this § 17 and the rental rate applicable to such Unit pursuant to § 3 of this Lease and (B) any interest and/or penalties paid by the Lessee to the Lessor pursuant to the fourth paragraph of this § 17 over (ii) the difference between (A) an amount equal to interest at the rate of 9% per annum on the amount of any federal income tax paid by the Lessor on account of the disallowance or inability to claim the Investment Credit, ADR Deduction or Interest Deduction on such Unit and (B) the amount of any interest to which the Lessor would be entitled in connection with the refund of any tax paid on account of such disallowance or inability to claim; *provided, however,* that if the amount calculated in accordance with clause (ii) exceeds the amount calculated in accordance with clause (i), the Lessee shall pay such excess to the Lessor promptly on demand.

The Lessee's and the Lessor's agreement to pay any sums which may become payable pursuant to this § 17 shall survive the expiration or other termination of this Lease.

The Lessor will apply for and diligently seek the Ruling. The Lessee will join in any request for such Ruling, and will furnish such documents, records and representations (including, but not limited to, evidence of the useful life and residual value of the Units sufficient to support the matters claimed in such request) as shall be deemed necessary and appropriate for such request by the Lessor.

§ 18. *Interest on Overdue Rentals.* Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay in Federal funds, to the extent legally enforceable, an amount equal to 10% per annum of the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

§ 19. *Purchase of Equipment by Lessee Under Certain Conditions.* If—

(a) On or before November 15, 1974, the Internal Revenue Service for any reason whatsoever shall not have issued to the Lessor, upon a request by it, a favorable tax ruling (herein called the Ruling)

to the effect that: (i) this Lease constitutes a true lease and the Lessor will be treated as owner of the Units; (ii) the Lessor is entitled to the Interest Deduction in computing its taxable income; (iii) the Lessor is entitled to the Investment Credit in respect of 100% of the Purchase Price; (iv) the Lessor is entitled to the ADR Deduction in respect of 100% of the Purchase Price of the Units; (v) the payments to be paid by the Lessee for the use of the Units constitute rent and are deductible by the Lessee pursuant to section 162(a)(3) of the Code;

(b) On or before August 1, 1974, the Lessee on behalf of the Lessor shall not have arranged for a limited number of institutional investors or other financial institutions (hereinafter called the Investors) to acquire through the Vendor, on or before such date, the interests of the Vendor under the Security Documents at a price equal to the unpaid Conditional Sale Indebtedness (as defined in the Security Documents), all on such reasonable terms and conditions (including any amendments of this Lease and the Security Documents, and any other documents executed in connection with this Lease and the Security Documents, which may reasonably be required) as shall be reasonably satisfactory in form and substance to the Investors and to the Lessor;

then at the request of the Lessor the Lessee shall purchase from the Lessor within 30 days after November 15, 1974, or August 1, 1974, as the case may be, all of the Units subject to this Lease for a purchase price in Federal funds equal to (i) the Purchase Price of each such Unit plus interest on such amount at the rate per annum of 9.1875% for the period in question from the Closing Date for each such Unit under the Security Documents to and including the date of such purchase, plus all fees and expenses paid or incurred by the Lessor (including without limitation brokerage commissions, legal and printing fees, and attorneys' and accountants' fees) in connection with the transactions contemplated by the Security Documents and this Lease, less (ii) any rental payments paid to the Lessor under § 3 of this Lease.

§ 20. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first-class postage prepaid, addressed as follows:

(a) if to the Lessor, at 730 Fifteenth Street, N.W., Washington, D. C. 20013, with a copy to the Vendor at the address furnished in accordance with the Security Documents, and

(b) if to the Lessee, at 222 South Riverside Plaza, Chicago, Illinois 60606, attention of Vice President—Finance;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Copies of notices to the Lessor shall be delivered or mailed to the Beneficiary at 20 Broad Street, New York, New York 10015, and to Itel Leasing Corporation, One Embarcadero Center, San Francisco, California 94111, attention of Contract Administration Department.

§ 21. *Lessor Acting as Trustee.* The representations, undertakings and agreements herein made on the part of the Lessor are made and intended for the purpose of binding only the Trust Estate as such term is used in the trust agreement pursuant to which the Lessor is acting as trustee.

Whenever the term Lessor is used in this Lease it shall apply and refer to the Lessor and the Beneficiary and any assignee of the Lessor and, where the context so requires (including, but not limited to, certain of the provisions of §§6, 10, 17 and 19 hereof), shall refer only to the Beneficiary. For the purposes of computing the net returns or tax obligations of the Beneficiary herein, the term Beneficiary as used herein shall include any affiliated group of corporations which includes the Beneficiary and which files a consolidated Federal income tax return.

§ 22. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other 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 and signed by duly authorized officers of the Lessor and of the Lessee.

§ 23. *Execution.* This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor shall be deemed to be the original

counterpart. Although this Lease is dated as of the date first set forth above, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 24. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by 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.

§ 25. *Section Headings.* All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

§ 26. *Further Assurances; Financial Information.* The Lessee agrees to furnish to the Lessor financial information regarding the Lessee which is publically available to a corporation's stockholders or such similar information as the Lessor shall reasonably request.

§ 27. *Lessor's Right to Perform for Lessee.* If an event set forth in clause C of the first paragraph of § 10 hereof occurs, the Lessor may, within 35 days after written notice of such default given by the Lessor to the Lessee pursuant to said clause, observe or perform any of such covenants, conditions and agreements of the Lessee, the nonobservance or nonperformance of which caused such default, in order to cure such default. Thereupon, the respective rights of the parties hereto shall be as they would have been if no such default had occurred. The Lessee hereby agrees that the amount of any payment made in connection therewith and the amount of the reasonable expenses of the Lessor incurred in connection with such observance or performance, together with interest at the rate of 10% per annum on such amounts, shall be payable by the Lessee upon demand of the Lessor.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

NORTH AMERICAN CAR CORPORATION,

By.....
Vice President

[CORPORATE SEAL]

Attest:
.....
~~*Assistant*~~ *Secretary*

AMERICAN SECURITY AND TRUST COMPANY,
as Trustee,

By.....
Vice President

[CORPORATE SEAL]

Attest:
.....
Assistant Secretary

STATE OF ILLINOIS
COUNTY OF COOK } ss.:

On this 16th day of April, 1974, before me personally appeared M A Lynch, to me personally known, who, being by me duly sworn, says that he is a Vice President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation 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.

Alice R. Noble
Notary Public

[NOTARIAL SEAL]
My Commission expires

DISTRICT OF COLUMBIA ss.:

On this 17th day of April, 1974, before me personally appeared John R. Whitmore, to me personally known, who, being by me duly sworn, says that he is Vice President of AMERICAN SECURITY AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on behalf of said company, 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 company.

Mary L. Carr
Notary Public - DC
My Commission Expires Dec. 14, 1975

[NOTARIAL SEAL]
My Commission expires

Schedule A

to Lease

Type	Quantity	Lessee's Road Numbers (Both Inclusive)
100-ton, 4750 cu. ft. capacity, covered hopper car.....	594	NAHX 46100-46113, 46133-46193, 46200-46291, 53973-53999, 55135-55444, 55645-55699, FSHX 55100-55134

see F+G
for those released