
Equipment Lease

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Dated as of May 1, 1974

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INTERSTATE COMMERCE COMMISSION

Between

NEW ENGLAND MERCHANTS NATIONAL BANK

as Trustee under Santa Fe Trust No. 74-1

as Lessor

and

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

as Lessee

(Santa Fe Trust No. 74-1)

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THIS EQUIPMENT LEASE dated as of May 1, 1974 between NEW ENGLAND MERCHANTS NATIONAL BANK, a national banking association, as Trustee (the "Lessor") under Trust Agreement (the "Trust Agreement") with AMERICAN ROAD EQUITY CORPORATION, a Delaware corporation (the "Trustor"), dated as of May 1, 1974 relating to Santa Fe Trust No. 74-1, and THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a Delaware corporation (the "Lessee");

WITNESSETH:

WHEREAS, the Lessor and the Lessee have entered into two separate Acquisition Agreements, each dated the date hereof (the "Acquisition Agreements") with GENERAL ELECTRIC COMPANY and GENERAL MOTORS CORPORATION (ELECTRO-MOTIVE DIVISION), respectively (collectively the "Manufacturers" and individually the "Manufacturer") providing for the acquisition by the Lessor of the railroad equipment (collectively the "Equipment" and individually an "Item of Equipment") described in Schedules A, B and C, respectively, attached hereto and made a part hereof; and

WHEREAS, the Lessor and the Lessee have entered into a Conditional Sale Agreement, dated the date hereof (the "Conditional Sale Agreement"), with the Manufacturers, providing for the manufacture, sale and delivery to the Lessor of the Items of Equipment described in Schedules A, B and C, respectively; and

WHEREAS, by instrument of Agreement and Assignment dated the date hereof, the Manufacturers have assigned or will assign their right, security title and interest under the Conditional Sale Agreement to Mercantile—Safe Deposit and Trust Company, a Maryland banking corporation, as Assignee (the "Assignee"); and

WHEREAS, the Lessee desires to lease all of the Items of Equipment or such lesser number as are delivered, accepted and settled for under the Conditional Sale Agreement on or prior to the outside delivery dates set forth in said Schedules, 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 Equipment to the Lessee upon the following terms and conditions, but subject to all the rights and remedies of each Manufacturer and its assigns under the Conditional Sale Agreement.

SECTION 1. DELIVERY AND ACCEPTANCE OF EQUIPMENT

The Lessor will cause each Item of Equipment to be tendered to the Lessee at the place or places at which such Item of Equipment is delivered to the Lessor under the Conditional Sale Agreement. Upon such tender, the Lessee will cause an authorized representative of the Lessee to inspect the same, and if such Item of Equipment is found to conform to the specifications therefor, to accept delivery of such Item of Equipment and to execute and deliver to the Lessor and to the Manufacturer thereof a certificate of acceptance (hereinafter called "Certificate of Acceptance") substantially in the form attached hereto as Schedule D, whereupon such Item of Equipment shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all of the terms and conditions of this Lease.

SECTION 2. RENTALS AND PAYMENT DATES

2.1. *Rentals for Equipment.* Subject to the provisions of Section 22.6 hereof, the Lessee agrees to pay the Lessor the following Rent for the Items of Equipment leased hereunder:

(a) *Interim Rental.* For all Items of Equipment, an amount (the "Interim Rental") equal to the sum of (i) \$266,037, plus (ii) an amount for each Item of Equipment equal to 0.014375% of the Purchase Price (as defined in Section 3.1 of the Conditional Sale Agreement) of such Item of Equipment for each day, if any, from and after the Closing Date (as defined in Section 3.5 of the Conditional Sale Agreement) with respect to such Item of Equipment, or August 26, 1974, whichever shall occur later, to but not including the Cut-Off Date (as defined in clause (1) of Section

3.3(b) of the Conditional Sale Agreement), which sum shall be payable in respect of such Items of Equipment as shall be delivered and accepted hereunder whether or not all of the Items of Equipment shall be so delivered and accepted.

(b) *Fixed Rental.* For each Item of Equipment, thirty-six (36) consecutive semiannual installments (the "Fixed Rental") in the amount provided for such Item of Equipment in Schedules A, B and C hereto, each payable in arrears.

2.2. *Rental Payment Dates.* The total amount of Interim Rental provided for in Section 2.1(a) above shall be due and payable on the Cut-Off Date. The installments of Fixed Rental provided for in Section 2.1(b) above shall be due and payable semiannually following the Cut-Off Date (each day on which an installment of Fixed Rental is due and payable being herein called a "Fixed Rental Payment Date"). If any Fixed Rental Payment Date is not a business day (as defined in Section 3.6 of the Conditional Sale Agreement), the Fixed Rental otherwise payable on such date shall be payable on the next succeeding business day, and no interest on such payment shall accrue for the period from and after the nominal date for payment thereof to such next succeeding business day.

2.3. *Place of Rent Payment.* Subject to the rights of the Assignee set forth in Section 16 hereof, all payments provided for in this Lease to be made to the Lessor shall be made to the Lessor by wire transfer of immediately available funds to the office of the Lessor at 28 State Street, Boston, Massachusetts 02109, Attention: Corporate Trust Department, or at such other place as the Lessor or its assigns shall specify in writing.

2.4. *Net Lease.* This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to, abatements, reductions or set-offs due to any present or future claims of the Lessee against the Lessor or the Trustor under this Lease or otherwise or against either Manufacturer or against the Assignee; or 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 or destruction of all or any of the Equipment from whatsoever cause, the taking or requisitioning of the Equipment by condemnation or otherwise, the lawful prohibition of Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, 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 unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). 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 Items of Equipment 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.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 20 and 22.6 hereof, shall terminate eighteen (18) years following the Cut-Off Date.

SECTION 4. TITLE TO THE EQUIPMENT.

4.1. *Retention of Title.* The Lessor is acquiring full legal title to the Equipment as Vendee under the Conditional Sale Agreement (but only upon compliance with all the terms and conditions thereof)

and, it is understood that Lessee shall acquire no right, title and interest to the Equipment except hereunder notwithstanding the delivery of the Equipment to and the possession and use thereof by the Lessee.

4.2. *Duty to Number and Mark Equipment.* The Lessee will cause each Item of Equipment to be kept numbered with its road number as set forth in Schedules A, B and C and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

“Leased from a Bank or Trust Company, as Lessor and Trustee-Vendee, and subject to a Security Interest, all as recorded with the I.C.C.”

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

4.3. *Prohibition Against Certain Designations.* Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Lessee to use the Equipment under this Lease.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY EITHER THE LESSOR OR THE TRUSTOR, EACH EXPRESSLY DISCLAIM-ING ANY WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIP-MENT, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby 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 and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the Manu-facturers, provided, however, that if at any time an Event of Default shall have occurred and be con-tinuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The Lessor shall have no responsibility or liability to the Lessee or any other person with re-spect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Equipment. The Lessee's delivery of a Certificate of Acceptance shall be conclu-

sive evidence as between the Lessee and the Lessor that all Items of Equipment 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.

SECTION 6. LESSEE'S INDEMNITY.

6.1. *Scope of Indemnity.* The Lessee shall defend, indemnify and save harmless the Lessor and the Trustor and their successors and assigns from and against:

- (a) any and all loss or damage of or to the Equipment, usual wear and tear excepted, and
- (b) any claim, cause of action, loss, damages, liability, cost or expense (including counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to the Equipment or any part thereof, including without limitation, the construction, purchase, delivery, installation, ownership, leasing, return or storage of the Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessor or by the Lessee), (ii) by reason or as the result of any act or omission of the Lessee for itself as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent infringements, or (iv) as a result of claims for negligence or strict liability in tort.

6.2. *Continuation of Indemnities and Assumptions.* The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumption of liability shall not apply in respect of any matters referred to in subsection (a) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring before the return of the Equipment to the possession of the Lessor as provided in Sections 13 or 15, as the case may be. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability.

6.3. *Further Indemnity.* In the event that the Trustor shall become obligated to make any payments to the Lessor in its individual capacity pursuant to the provisions of Section 9.1 of the Trust Agreement which are not covered by Section 6.1 or Section 10.2 hereof, the Lessee shall pay such additional amounts to the Lessor as will enable the Trustor to fulfill completely its obligations pursuant to said provisions.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all laws, regulations, requirements and rules (including the rules of the United States Department of Transportation and the interchange rules of the Association of American Railroads) with respect to the use, maintenance and operation of each Item of Equipment subject to this Lease. In case such Item of Equipment is required to be changed, or any equipment or appliance is required to be installed or replaced in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such changes, additions and replacements at the Lessee's cost and expense.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment (including any parts installed thereon or replacements made thereon) in the same order, condition and repair as when originally delivered to the Lessee (or installed), ordinary wear and tear excepted. The Lessee shall not modify any Item of Equipment so as to impair its operational capacity without the written authority and approval of the Lessor which shall not be unreasonably withheld. Any parts installed (other than communications, signal and automatic control equipment or devices having a similar use which have been added to any Item of Equipment by the Lessee, the cost of which is not included in the Purchase Price of such Item of Equipment and which are not required for the operation or use of such Item of Equipment by the Interstate Commerce Commission, the Department of Transportation or any other regulatory body) or replacements

made by the Lessee upon any Item of Equipment shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor, without cost or expense to the Lessor.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith, with due diligence and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor to the Equipment. The Lessee's obligations under this Section 9 shall survive termination of this Lease.

SECTION 10. FILING, PAYMENT OF FEES AND TAXES.

10.1. *Filing.* Prior to the delivery and acceptance of the first Item of Equipment, the Lessee will, at its sole expense, cause this Lease, the Conditional Sale Agreement and the first assignment thereof to be duly filed, recorded, registered or deposited in conformity with Section 20c of the Interstate Commerce Act and in such other places within or without the United States as the Lessor may reasonably request for the protection of its title or the security interest of the Assignee and will furnish the Lessor proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record (and will re-file, re-register, re-deposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Lessor, for the purpose of protecting the Lessor's title to, or the Assignee's security interest in, the Equipment to the satisfaction of the Lessor's or the Assignee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor proof of such filings and an opinion of the Lessee's counsel that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, re-filing, recording, re-recording, depositing, re-depositing, registering and re-registering of any such instruments, or incident to the taking of such action.

10.2. *Taxes Generally.* (a) The Interim Rental, Fixed Rental and other amounts otherwise required to be borne by the Lessee under this Lease are exclusive of all taxes, assessments, fees and charges (hereinafter called "Imposts") levied and imposed by any governmental unit (domestic or foreign), or any agency, instrumentality or taxing jurisdiction thereof:

(i) with respect to this Lease;

(ii) upon any Item of Equipment or any interest of the Lessor, the Lessee or the Trustor therein;

(iii) upon or on account of the sale, purchase, lease, transfer, ownership, possession, use, operation, maintenance, registration, delivery or return of any Item of Equipment to or by the Lessor, the Lessee or the Trustor; or

(iv) on account of or measured by the earnings or gross receipts arising from the ownership, lease, possession or use of any Item of Equipment, or the value added thereto, other than taxes imposed on or measured by the net income of the Lessor or the Trustor except any such net income tax which is in substitution for, or relieves the Lessee from the payment of, any tax or other charge which the Lessee would otherwise be obligated to bear under this Section.

The Lessee shall bear the burden and make timely remittances to appropriate collectors of all such excluded Imposts and file timely, with each appropriate taxing or regulatory jurisdiction, all returns, statements and reports legally required with respect thereto, and shall bear the burden of and remit any interest, fines and penalties exacted because of the Lessee's failure to discharge timely the Lessee's obligations hereunder. Notwithstanding the Lessee's obligation to bear the burden of the said excluded Imposts, the Lessor shall file required returns, statements and reports relating to: (i) retail sales or use

taxes, and remit the amounts thereof to the collector, in those taxing jurisdictions which by law do not permit or require the computation of such taxes on the basis of Interim Rental, Fixed Rental, or other amounts (exclusive of Imposts) required to be borne by the Lessee hereunder, and (ii) occupation, privilege and license taxes and fees (including taxes and fees on or measured by earnings and gross receipts) required by law to be filed by the Lessor and remit the amounts thereof. The Lessee shall reimburse the Lessor promptly upon demand for the amount of all Imposts required hereunder to be borne by the Lessee that are remitted by the Lessor.

(b) The Lessee shall not be required to remit to any taxing or regulatory jurisdiction any Impost, unless remittance may not legally be withheld, if and so long as the Lessee shall in good faith, with due diligence, and by appropriate judicial or administrative proceedings, contest the validity, applicability, or amount thereof and so long as the rights of the Lessor and the Trustor in any Item of Equipment are not impaired by such contest. No Impost shall be judicially contested without the prior concurrence of the Lessor, which concurrence shall not unreasonably be withheld.

The Lessee shall, whenever requested by the Lessor, submit to the Lessor copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Lessor of the Lessee's performance of its duties under this Section. The Lessee shall also furnish, promptly upon request, such data relating to any Item of Equipment as the Lessor reasonably may require, including the tax jurisdiction to which it is subject, to permit the Lessor's compliance with the requirements of any taxing or regulatory jurisdiction.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties imposed on the Lessee by this Section, the Lessor hereby authorizes the Lessee to act in the name and on behalf of the Lessor; provided, however, that the Lessee shall indemnify and hold the Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith, as a result of, or incident to, any action by the Lessee pursuant to this authorization.

In the event the Lessee is required to make any payment under this Section, Section 6, Section 19 or Section 21 hereof, the Lessee shall pay the Lessor an amount which, after deduction of all taxes required to be paid by the Lessor and the Trustor in respect of the receipt thereof under the laws of the United States or any political subdivision thereof, shall be equal to the amount of such payment.

SECTION 11. INSURANCE, PAYMENT FOR CASUALTY OCCURRENCE OR EQUIPMENT UNSERVICEABLE FOR USE.

11.1. *Insurance.* The Lessee will at all times after delivery and acceptance of each Item of Equipment, at its own expense, keep or cause to be kept each such Item insured, either by a reputable insurance company or companies or by self insurance. Any insurance policy may provide that losses shall be adjusted with the Lessee and shall provide that the proceeds thereof shall be payable to the Lessor, the Assignee, and the Lessee as their interests shall appear. Any such policy shall provide that the same shall not be cancelled or changed without at least 30 days prior written notice to each assured named therein, and shall insure the interest of the Lessor and the Assignee regardless of any breach or violation by the Lessee of warranties, declarations or conditions contained in such policy. All proceeds of insurance received by the Lessor and the Assignee with respect to any Items of Equipment not suffering a Casualty Occurrence (as hereinafter defined) shall be paid to the Lessee upon proof satisfactory to the Lessor and the Assignee that any damage to any Item with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by the Lessor and the Assignee with respect to a Casualty Occurrence shall be credited toward the payment required by this Section 11 with respect to such Casualty Occurrence.

The Lessee represents and warrants that, as of the date of execution of this Lease, it maintains in effect general public liability insurance with respect to its operations (including the Equipment) against damage because of bodily injury, including death, or damage to the property of others. Such liability insurance currently affords protection in an amount of not less than \$22,000,000 in excess of the first \$3,000,000 for damages resulting from any one accident. The Lessee covenants and agrees that it will furnish to the Lessor and the Assignee certificates or other satisfactory evidence of such liability insurance within a reasonable time after execution of this Lease, and that it shall not cause such liabil-

ity insurance to be cancelled or changed without 30 days prior written notice to the Lessor and the Assignee.

11.2. *Duty of Lessee to Notify Lessor.* In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease or prior to the return of such Item to the possession of the Lessor pursuant to Section 13 or 15 hereof (any such occurrence, except for any requisition which by its terms is indefinite or does not exceed the term of this Lease, being hereinafter called a Casualty Occurrence), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and the Assignee in regard thereto and shall pay the Casualty Value (as herein defined) of such Item in accordance with the terms hereof.

11.3. *Payment for Casualty Loss.* The Lessee shall pay to the Lessor the Casualty Value (as herein defined) of each Item of Equipment suffering a Casualty Occurrence. The portion of the Casualty Value determined in accordance with Section 11.6(a) shall be paid on the Fixed Rental Payment Date (which term, when used in this Section 11, shall include any rental payment date during any renewal term of this Lease) next succeeding the date on which such Casualty Occurrence occurred (such date of occurrence being herein referred to as the "Casualty Date") and the portion of the Casualty Value determined in accordance with Section 11.6(b) shall be paid on such date as the Lessee may elect, but not later than such Fixed Rental Payment Date.

11.4. *Rent Termination.* Upon (and not until) payment in full of the Casualty Value in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Fixed Rental Payment Date next preceding the Casualty Date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.5. *Disposition of Equipment.* The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the fair market value thereof. Any such disposition shall be without recourse and on an "as is", "where is" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of, the Lessee may, provided the Casualty Value thereof has been paid to the Lessor, retain all amounts of such price plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence up to the Casualty Value attributable thereto and shall remit the excess, if any, to the Lessor. In disposing of such Item or Items of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item or Items of Equipment.

11.6. *Casualty Value.* The Casualty Value of an Item of Equipment suffering a Casualty Occurrence shall be an amount equal to the sum of:

(a) the product of (i) the Purchase Price of such Item and (ii) subject to the provisions of Section 22.6 hereof, the percentage indicated under Column A in Schedule E hereto opposite the Fixed Rental Payment Date next succeeding the Casualty Date; and

(b) the sum of (i) the product of (A) the Purchase Price of such Item and (B) subject to the provisions of Section 22.6 hereof, the percentage indicated under Column B in Schedule E hereto opposite the Fixed Rental Payment Date next succeeding the Casualty Date plus (ii) interest on such amount computed at the rate of 12% per annum from the Fixed Rental Payment Date next preceding the Casualty Date to the date of payment of such amount.

11.7. *Risk of Loss.* The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Interim Rental and Fixed Rental installments with respect to such Item and (a) until such Item has been returned to the possession of the Lessor pursuant to Section 13 or 15 hereof or (b), in the event such Item suffers a Casualty Occurrence, until payment of the Casualty Value in respect of such Item of Equipment, the disposal of such Item or the salvage thereof by the Lessee and the transfer of the

title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership to the purchaser of such Item or the salvage thereof.

11.8. *Eminent Domain.* In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay rent shall continue for the duration of such requisitioning or taking. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession to an amount equal to the rent paid or payable hereunder for such period, and the balance, if any, shall be payable to and retained by the Lessor as its sole property.

SECTION 12. REPORTS.

12.1. *Duty of Lessee to Furnish Annual Reports.* On or before May 1 in each year, commencing with the year 1975, the Lessee will furnish to the Lessor and the Assignee an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or state of repair of the Equipment as Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof have been preserved or replaced.

12.2. *Lessor's Inspection Rights.* The Lessor and the Assignee each shall have the right, at its sole cost and expense by its authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such times and at such locations as shall be mutually agreed upon in order to confirm to the Lessor or, as the case may be, the Assignee, the existence and proper maintenance thereof during the continuance of this Lease.

12.3. *Financial Reports.* The Lessee will furnish to the Lessor the reports required to be furnished to the Assignee pursuant to Section 12 of the Finance Agreement dated as of May 1, 1974 among the Assignee, the Lessee and certain institutional investors and at the same time such reports are furnished to the Assignee, and such other information as is reasonably requested by the Lessor.

12.4. *Other Reports.* 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 Assignee of the Equipment or the leasing thereof to the Lessee.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee or any affiliate as the Lessor may designate, or in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Item of Equipment on such tracks for a period not exceeding 90 days and transport the same at any time within such 90 day period to any reasonable place on the lines of railroad operated by the Lessee or any affiliate or to any connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days' written notice to the Lessee. All movement and storage of each such Item is to be at the risk and expense 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 any such Item, 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. Each Item of Equipment returned to the

Lessor pursuant to this Section 13 shall (i) be in the same order, condition and repair as when originally delivered to the Lessee, ordinary wear and tear excepted, and (ii) meet all then applicable standards of the Department of Transportation and shall comply with any applicable interchange rules of the Association of American Railroads. The assembling, delivery, storage and transporting of the Equipment 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 to so assemble, deliver, store and transport the Equipment.

SECTION 14. DEFAULT.

14.1. *Events of Default.* Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental or other sums provided in Section 2 hereof or in Section 11 hereof and such default shall continue for ten business days; or

(b) The Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or of possession of the Equipment, or any portion thereof, and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Equipment within 30 days; or

(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 and such default shall continue for 30 days after written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied; or

(d) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against the Lessee and (unless such petition shall have been dismissed, nullified, 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 Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees within 30 days after such appointment or 60 days after such petition shall have been filed, whichever shall be earlier; or

(e) Any other proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors readjustments or indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder) 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 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 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 or 60 days after such proceedings shall have been commenced, whichever shall be earlier.

14.2. *Remedies.* If any Event of Default has occurred and is continuing, 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; or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment 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 Equipment may be located and take possession of all or any of such Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Equipment for any purpose whatever; or

(c) Notwithstanding any termination pursuant to paragraph (b) above, recover from the Lessee any and all amounts 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 a fraction of which the numerator is such accrued number of days in such full rental period 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 Item of Equipment, which represents the excess of the present value, at the time of such termination, of all rentals for such Item of Equipment which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present value of the rentals which the Lessor reasonably estimates to be obtainable for the use of such Item during such period, such present value to be computed in each case on a basis of a 5% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses including reasonable attorney's fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease, other than for the payment of rental; and in the event of any such termination pursuant to this paragraph (c) and whether or not the Lessor shall have exercised or shall thereafter exercise any of its other rights under this paragraph (c), the Lessor shall have the right to recover from the Lessee a sum which, after deduction of all taxes required to be paid by the Lessor or the Trustor in respect of the receipt thereof under the laws of any federal, state or local government or taxing authority of the United States of America or, under the laws of any taxing authority or governmental subdivision of a foreign country, shall, in the reasonable opinion of the Trustor, be equal to any portion of the 7% Investment Tax Credit (herein called the "Investment Credit") with respect to the Purchase Price of the Equipment pursuant to Section 38 of the Internal Revenue Code of 1954, as amended (the "Code"), lost, not claimed, not available for claim, disallowed or recaptured by or from the Lessor or the Trustor as a result of the breach of one or more of the representations, warranties and covenants made by the Lessee in Section 21 hereof or any other provision of this Lease or the sale or other disposition of the Lessor's interest in any Item of Equipment after the occurrence of an Event of Default, plus such sum as will cause the Lessor's or the Trustor's net return under this Lease to be equal to the net return that would have been available to the Lessor or the Trustor if it had been entitled to utilization of all of the maximum depreciation deductions based on a 12 year depreciable life for the Equipment authorized with respect to an Item of Equipment under Section 167 of the Code as in effect on the date of the execution of this Lease, utilizing the "asset depreciation range" of 12 years for the Equipment prescribed in accordance with Section 167(m) of the Code (herein called the "Depreciation Deduction") and the deduction in each taxable year of the Lessor for all interest paid or accrued during such year on the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) computed in accordance with Section 163 of the Code (herein called the "Interest Deduction") which was lost, not claimed, not available for claim, disallowed or recaptured by or from the Lessor or the Trustor as a result of the breach of one or more of the representations, warranties and covenants made by the Lessee in Section 21 hereof or any other provision of this Lease, the termination of this Lease, the Lessee's loss of the right to use such Item of Equipment, any action or inaction by the Lessor or the sale or other disposition of the Lessor's interest in such Item of Equipment after the occurrence of an Event of Default plus such sum as will pay or reimburse the Lessor or the Trustor for any interest or penalties incurred in connection with the Investment Credit, Depreciation Deduction or Interest Deduction which is lost, not claimed, not available for claim, disallowed or recaptured; or

(d) Notwithstanding any termination pursuant to paragraph (b) above, sell the Equipment or any part thereof at public or private sale, as Lessor may determine, free and clear of any rights

of Lessee or its successors or assigns and without any duty to account to Lessee with respect to such sale or for the proceeds thereof (except to the extent required by paragraph (e) below if Lessor elects to exercise its rights under said paragraph), in which event Lessee's obligation to pay Fixed Rental hereunder accruing after the date of such sale shall terminate (except to the extent that Fixed Rental is to be included in computations under paragraph (e) or (f) below if Lessor elects to exercise its rights under either of said paragraphs); or

(e) If Lessor shall have sold the Equipment pursuant to paragraph (d) above, Lessor, in lieu of exercising its rights under paragraph (c) above with respect to such Equipment, may, if it shall so elect, demand that Lessee pay to Lessor and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, any unpaid Fixed Rent for such Equipment for periods up to and including the end of the semiannual lease period next preceding the lease period in which such sale occurs, plus an amount equal to the deficiency, if any, between (i) the net proceeds from such sale and (ii) the sum of (A) the product of (x) the Purchase Price of such Equipment and (y) the percentage indicated under Column A in Schedule F hereto opposite the last Fixed Rental Payment Date for which a payment was actually made, plus (B) interest on such amount computed at the rate of 11% per annum from said Fixed Rental Payment Date to the date of payment of such amount; or

(f) If, within 60 days following the date of termination of this Lease pursuant to paragraph (b) above and notwithstanding such termination, and after the exercise by the Lessor during such period of its best efforts to sell the Equipment, the Lessor is unable to sell the Equipment, then Lessor, in lieu of exercising its rights under paragraph (c) above with respect to such Equipment, may, if it shall so elect, demand that Lessee pay to Lessor and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, any unpaid Fixed Rent for such Equipment for periods up to and including the end of the semiannual lease period next preceding the lease period in which the close of such 60 day period occurs, plus an amount equal to the deficiency between (i) the fair market value of the Equipment, and (ii) the sum of (A) the product of (x) the Purchase Price of such Equipment and (y) the percentage indicated under Column A in Schedule F hereto opposite the last Fixed Rental Payment Date for which a payment was actually made, plus (B) interest on such amount computed at the rate of 11% per annum from said Fixed Rental Payment Date to the date of payment of such amount.

14.3. *Cumulative Remedies.* 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 any of 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 of any right to assert any off-set against the rent payments due hereunder, and agrees to make the rent payments regardless of any off-set or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.4. *Lessor's Failure to Exercise Rights.* The failure of the Lessor to exercise the rights granted it hereunder upon any 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.

14.5. *Termination by Assignee of Conditional Sale Agreement.* Anything in this Lease to the contrary notwithstanding, if the Assignee of the Conditional Sale Agreement shall, upon the occurrence of an Event of Default as defined therein, state in a written notice to the Lessor and Lessee that this Lease terminates, this Lease shall, immediately upon receipt by Lessee of such notice, terminate as to all the Items of Equipment and the rights of the Lessee hereunder shall at all times and in all respects be subject and subordinate to the rights and remedies of the Assignee under the Conditional Sale Agreement; provided that as long as the Lessee shall not be in default under this Lease or under the Conditional Sale Agreement in its capacity as Guarantor or otherwise, the Lessee shall be entitled to the possession

and use of the Equipment in accordance with the terms of this Lease and the Conditional Sale Agreement.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. *Lessee's Duty to Return.* If the Lessor or the Assignee shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. Each Item of Equipment returned to the Lessor pursuant to this Section 15.1 shall (i) be in the same order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and (ii) meet all their applicable standards of the Department of Transportation and shall comply with any applicable interchange rules of the Association of American Railroads. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment in such reasonable storage place on the Lessee's lines of railroad as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store such Equipment in such reasonable storage place on the Lessee's lines of railroad for a period not exceeding 90 days at the cost, expense and risk of the Lessee; and

(c) Transport the Equipment, at any time within such 90 days' period, to any place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as the Lessor may reasonably direct upon not less than 30 days' written notice to the Lessee.

15.2. *Specific Performance.* The assembling, delivery, storage and transporting of the Equipment 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 Equipment.

15.3 *Lessor Appointed Lessee's Agent.* Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney-in-fact of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whosoever shall be at the time in possession of such Item.

SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and other sums due and to become due hereunder have been assigned to the Assignee pursuant to Section 26 of the Conditional Sale Agreement, and all rent and other sums due and to become due hereunder shall be paid by wire transfer of immediately available funds to the Assignee at the address described in Section 21 of the Conditional Sale Agreement, or at such other place as the Assignee shall specify in writing. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of the Assignee in and to the sums payable by the Lessee under any provisions of this Lease shall not be subject to any abatement whatsoever, and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever whether by reason of or defect in Lessor's title, or any interruption from whatsoever cause (other than from a wrongful act of the Assignee) in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and when arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of the Assignee, the Lessee shall be unconditionally and absolutely obligated to pay the Assignee all of the rents and other sums which are the subject matter of the assignment, and (ii) the Assignee shall have the sole

right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of the Assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor; provided, however, that nothing herein shall limit the Lessor's right to exercise its rights, privileges and remedies in respect of amounts payable under this Lease in excess of the expenses and liabilities of the Assignee undertaken to be paid by the Lessor under the Conditional Sale Agreement and interest on the indebtedness in respect of the Purchase Price of the Equipment accrued and unpaid and the unpaid indebtedness in respect of the Purchase Price of the Equipment. The Lessor shall not be liable to the Lessee for any exercise by the Assignee of the rights, privileges and remedies which by the terms of this Lease are permitted or provided to be exercised by the Lessor.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. *Lessee's Rights to the Equipment.* So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. 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 Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. *Use and Possession on Lines Other Than Lessee's Own.* So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation a majority of whose voting stock (i.e., having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by the Lessee or the parent of the Lessee or upon lines of railroad over which the Lessee or such corporation has trackage or other operating rights or over which Equipment of the Lessee is regularly operated pursuant to contract, but only upon and subject to all the terms and conditions of this Lease. Notwithstanding the foregoing, the Lessee will not assign any Item of Equipment to service including the regular operation and maintenance thereof outside the United States of America. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligations hereunder which shall be and remain those of a principal and not a surety.

17.3. *Merger, Consolidation or Acquisition of Lessee.* Nothing in this Section 17 shall be deemed to restrict the right of Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed the obligations hereunder of Lessee) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of Lessee as an entirety or substantially as an entirety.

SECTION 18. OPINION OF LESSEE'S COUNSEL.

Concurrently with the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will deliver to the Lessor fifteen counterparts of the written opinion of counsel for the Lessee addressed to the Lessor, the Trustor and to the Assignee, in scope and substance satisfactory to the Lessor, to the effect that:

(a) The Lessee is a corporation duly incorporated and validly existing, in good standing, under the laws of the State of Delaware;

(b) The Lessee has the corporate or other power and authority to own its property and carry on its business as now being conducted and is duly qualified to do business as a foreign corporation in all jurisdictions in which such qualification is necessary to carry out the terms of the Lease;

(c) This Lease, the Conditional Sale Agreement, the Acquisition Agreements of even date herewith among the Lessor, the Lessee and the Manufacturers and the Finance Agreement of even date herewith among the Lessee, the Assignee and certain institutional investors have each

been duly authorized, executed and delivered by the Lessee and constitute the valid, legal and binding agreements of the Lessee enforceable in accordance with their respective terms;

(d) This Lease and the Conditional Sale Agreement have been filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and no other filing, recording or depositing is necessary to protect the Lessor's title to the Equipment in the United States of America;

(e) No approval or consent of, or filing with, any public regulatory body is required with respect to the entering into or performance by the Lessee of said Acquisition Agreements, said Conditional Sale Agreement, said Finance Agreement or this Lease;

(f) The execution and delivery by the Lessee of said Acquisition Agreements, said Finance Agreement, the Conditional Sale Agreement and this Lease do not violate any provision of any law, any order of any court or governmental agency, the Charter or By-laws of the Lessee, or any indenture, agreement, or other instrument to which the Lessee is a party or by which it, or any of its property is bound, and will not be in conflict with, result in the breach of, or constitute (with due notice or lapse of time, or both) a default under, any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee, except upon the leasehold estate of the Lessee hereunder; and

(g) As to any other matter which the Lessor shall reasonably request.

SECTION 19. INTEREST ON OVERDUE RENTALS AND AMOUNTS PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay an amount equal to 11% per annum (or the lawful rate, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 20. OPTIONS TO PURCHASE AND RENEW.

20.1. *Purchase Options.* Provided that the Lessee is not in default hereunder, Lessee shall have the following options to purchase:

(a) The Lessee shall have the right to purchase all but not less than all of the Items of Equipment then leased hereunder on the thirtieth (30th) Fixed Rental Payment Date or on any Fixed Rental Payment Date thereafter, or on any rental payment date during any renewal period provided for in Section 20.2 hereof, at a price equal to the greater of the Fair Market Value or the Termination Value of such Items of Equipment (each as hereinafter defined). The Lessee shall give the Lessor written notice of any such election not less than six months prior to its exercise of the purchase option provided for in this Section 20.1. Payment of the option price, together with any rentals accrued and unpaid through the date of such payment, shall be made at the place of payment specified in Section 2 hereof in immediately available funds against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to such Items of Equipment and containing a warranty against liens or claims of persons claiming by, through or under the Lessor except liens and claims which the Lessee assumed or is obligated to discharge under the terms of the Lease. The Lessor shall not be required to make any representation or warranty as to the condition of such Items of Equipment or any other matters and any such purchase shall be without recourse to the Lessor.

(b) The Fair Market Value of an Item of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing buyer-user (other than (i) a lessee currently in possession and (ii) a used equipment dealer) and an informed and willing seller under no compulsion to sell. If on or before four months prior to the date of purchase elected by the Lessee, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Value of an Item of

Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term Appraiser shall mean such independent appraiser as the Lessor and the Lessee may mutually agree upon, or failing such agreement, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third designated by the first two so selected. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both Lessor and Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

(c) The Termination Value of an Item of Equipment shall be an amount, determined as of the Fixed Rental Payment Date elected by the Lessee as the date of purchase, equal to, subject to the provisions of Section 22.6 hereof, that percentage of the Purchase Price of such Item of Equipment set forth in the Schedule of Termination Value attached hereto as Schedule F opposite such date.

(d) Notwithstanding any election of the Lessee to purchase as provided in this Section 20.1, the provisions of Section 11 hereof shall continue in full force and effect until the date of purchase and the passage of ownership of the Items of Equipment purchased by the Lessee upon such date unless a purchase price, in excess of the Casualty Value of such Item, has been agreed upon by the parties pursuant to this Section 20.1, in which event such purchase price shall govern the amount payable under Section 11 hereof.

20.2. *Renewal Options.* Provided that the Lessee is not in default hereunder, the Lessee shall have the following renewal options:

(a) The Lessee shall have the option to renew and extend this Lease as to all, but not less than all, of the Equipment leased hereunder for one or more additional renewal terms of one year each (or such other duration as may be agreed upon by the Lessor and the Lessee), each upon and subject to the terms and conditions herein contained for the original term of this Lease; provided that the semiannual Fixed Rental payable for and during any such renewal term shall be an amount equal to the Fair Rental Value (as hereinafter defined) of such Items of Equipment. Each renewal term shall commence immediately upon the expiration of the preceding term. The Lessee shall give the Lessor written notice of any such election six months prior to the commencement of any renewal term provided for in this section 20.2.

(b) The Fair Rental Value of an Item of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease. If on or before four months prior to the date of commencement of the renewal term elected by the Lessee, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value of the Item of Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term Appraiser shall mean such independent appraiser as the Lessor and the Lessee may mutually agree upon, or failing such agreement, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third designated by the first two so selected. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both Lessor and Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

20.3. *Delivery of Equipment.* Unless the Lessee has elected to purchase the Items of Equipment then leased hereunder or to renew this Lease in respect of such Items of Equipment as provided in this Section 20, all of such Items of Equipment shall be returned to the Lessor at the end of the original term, or the then current renewal term, as the case may be, in accordance with Section 13 hereof.

SECTION 21. FEDERAL INCOME TAXES.

The Lessor, as the owner of the Equipment, shall be entitled to such deductions, credits and other benefits as are provided by the Code to an owner of property, including (without limitation) an allowance for the Investment Credit, the Depreciation Deduction and the Interest Deduction (all as defined in Section 14.2 hereof) with respect to the Equipment to the extent so provided in the Code as in effect on the date of execution of this Lease.

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 (herein called an "affiliate"), 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 action and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent thereof. Lessee agrees to keep and make available for inspection and copying by Lessor such records as will enable Lessor to determine whether it is entitled to the full benefit of the Investment Credit, the Depreciation Deduction and the Interest Deduction with respect to the Equipment.

The Lessee represents and warrants that (i) at the time the Lessor becomes the owner of the Equipment, and despite the incorporation of any used components therein, the Equipment will constitute "new eligible Section 38 property" within the meaning of Sections 46 and 48 of the Code, (ii) at the time the Lessor becomes the owner of the Equipment, the Equipment 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 and (iii) the Lessee will not at any time during the term of this Lease, use or fail to use any Item of Equipment in such a way as to disqualify it as "Section 38 property" within the meaning of Section 48(a) of the Code.

If the Lessor or the Trustor shall lose, or shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to the Lessor or the Trustor, all or any portion of the Investment Credit, the Interest Deduction or the Depreciation Deduction as provided to an owner of property with respect to an Item of Equipment for any period prior to the termination of this Lease and full compliance by the Lessee with all of its obligations hereunder as the direct or indirect result of any act, representation, statement or failure to act of Lessee or any affiliate or any officer, employee, agent or attorney thereof, then, in any such event, the Lessee shall promptly pay to the Lessor or the Trustor an amount which, after deduction of all taxes required to be paid by the Lessor or the Trustor in respect of the receipt thereof under the laws of any federal, state or local government or taxing authority of the United States of America or under the laws of any taxing authority or governmental subdivision of a foreign country, shall in the reasonable opinion of the Trustor, be equal to any portion of the Investment Credit lost, not claimed, not available for claim, disallowed or recaptured by or from the Lessor or the Trustor as a consequence of such event plus such sums as will cause the Lessor's or the Trustor's net return under this Lease to be equal to the net return that would have been available to the Lessor or the Trustor if it had been entitled to utilization of all of the Interest Deduction or the Depreciation Deduction which was lost, not claimed, not available for claim, disallowed or recaptured by or from the Lessor or the Trustor in consequence of such event plus such sum as will pay or reimburse the Lessor or the Trustor for any interest or penalties incurred in connection with the Investment Credit, the Depreciation Deduction or the Interest Deduction which is lost, not claimed, not available for claim, disallowed or recaptured.

If any Item of Equipment shall be used in Canada or otherwise outside of the United States, the Lessee hereby agrees promptly to pay to the Lessor or to the Trustor an amount which, after deduction of all taxes required to be paid by the Lessor or the Trustor in respect of the receipt thereof under the laws of any federal, state or local government or taxing authority of the United States of America or under the laws of any taxing authority or governmental subdivision of a foreign country, shall be equal to the excess of the foreign tax credit under Section 901 of the Code which would have been allowable to the Lessor or the Trustor with respect to such year and all prior years if the Lessor and the Trustor had not participated in the transactions contemplated by this Lease over the foreign tax credit actually allowable to the Lessor or the Trustor with respect to such years, together

with any interest, penalties or additions to tax which may be assessed by the United States Government against the Lessor or the Trustor as a result of such loss of foreign tax credit. The good faith calculation by the Tax Department of Ford Motor Company, a Delaware corporation, of all amounts due under this paragraph shall be binding on the Lessee, the Lessor and the Trustor. In connection therewith, the Trustor will provide the Lessee with a certificate of an officer of the Trustor setting forth in reasonable detail the figures and method used in making such calculation. Further, the Lessee hereby agrees that it will not have the right to inspect the tax returns or related documents of the Lessor, the Trustor or Ford Motor Company in order to confirm the calculations made by the Tax Department of Ford Motor Company pursuant to this paragraph. Anything in this paragraph to the contrary notwithstanding, the Lessee shall indemnify the Lessor for any loss of foreign tax credit only for a proportionate share of such loss which is directly and immediately attributable to the use of an Item or Items of Equipment outside the United States of America.

Upon the commencement of any proceeding (including the written claim or written threat of such proceeding) in respect of which indemnity may be sought under the fourth paragraph of this Section 21, the Lessor shall promptly, upon its knowledge thereof, give written notice of such commencement to the Lessee. The Lessor hereby agrees, and the Trustor has agreed in the Trust Agreement, to use reasonable efforts to contest in good faith said proposed proceeding so as to minimize or avoid the liability of the Lessee to pay such indemnity.

SECTION 22. MISCELLANEOUS.

22.1. *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 registered mails, first class postage prepaid, addressed as follows:

If to the Lessor:

New England Merchants National Bank
28 State Street
Boston, Massachusetts 02109
Attention: Corporate Trust Department

With a copy to:

American Road Equity Corporation
The American Road
Dearborn, Michigan 48121
Attention: Vice President, CIR Financing

If to the Lessee:

The Atchison, Topeka and Santa Fe
Railway Company
80 East Jackson Boulevard
Chicago, Illinois 60604
Attention: Vice President-Finance

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

22.2. *Execution in Counterparts.* This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

22.3. *Law Governing.* This Lease shall be construed in accordance with the laws of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

22.4. *Covenants, Representations and Warranties of Lessee.* The Lessee covenants, represents and warrants, as of the date of execution of this Lease, that (i) the Lessee is not a party to any agreement

or instrument or subject to any charter or other corporate restriction which will materially adversely affect its financial condition, business or operations or its ability to perform its obligations under this Lease; (ii) there are no pending or threatened actions or proceedings before any court or administrative agency which will materially adversely affect the condition, business or operations of the Lessee or any subsidiary or its ability to perform its obligations under this Lease; (iii) the Lessee and its subsidiaries have filed or caused to be filed all federal and state tax returns which are required to be filed and have paid or caused to be paid all taxes shown to be due or payable on said returns or (except to the extent being contested in good faith with due diligence and for the payment of which adequate reserves have been provided) on any assessment received by the Lessee or any subsidiary, to the extent that such taxes have become due and payable; and (iv) the financial statements contained in the Annual Report of the Lessee on Form R-1 or Form A, as applicable, for the five years ended December 31, 1973, and the Securities Exchange Act of 1934 Annual Report on Form 10-K of Santa Fe Industries, Inc., the parent of the Lessee, for the year ended December 31, 1973 (copies of which Forms have been furnished the Lessor) correctly set forth the financial condition of the Lessee and of Santa Fe Industries, Inc., respectively, as of December 31, 1973, and the results of operations for the five years ended December 31, 1973 and since December 31, 1973 there has been no material adverse change (or any development involving a prospective material adverse change) in such condition or operations and nothing has occurred which will materially adversely affect the Lessee's ability to carry on its business and operations or to perform its obligations under this Lease.

22.5. *Agreement for Benefit of Trustor.* All rights of the Lessor hereunder shall inure to the benefit of the Trustor and any of the Trustor's assigns under the Trust Agreement.

22.6. *Amendment by Lessor and Lessee.* It is hereby understood and agreed by and between the Lessor and the Lessee that the rental provisions set forth in Section 2 hereof and the term of this Lease provided in Section 3 hereof have been determined on certain assumptions relating to matters not subject to final determination at the date of execution and delivery of this Lease. In the event that such assumptions prove incorrect, the Lessor and the Lessee may, without approval of the Assignee, revise the amount of rentals payable under Section 2 hereof, revise the term of this Lease and revise the amount of the Casualty and Termination Values payable hereunder; provided that no such amendment shall reduce the amount of rentals or Casualty Values payable hereunder to amounts less than necessary to pay when due the installments of Conditional Sale Indebtedness plus interest thereon under the Conditional Sale Agreement nor shall such amendment reduce the term of this Lease to a period less than 15 years following the Cut-Off Date and no such amendment shall be effected subsequent to the first Fixed Rental Payment Date provided for herein.

22.7. *Limitations of Liability.* It is expressly understood and agreed by and between the Lessor and the Lessee and their respective successors and assigns: that this Lease is executed by New England Merchants National Bank, not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee (and New England Merchants National Bank hereby warrants that it possesses full power and authority to enter into and perform this Lease), that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by the Lessor or the Trustor, or for the purpose or with the intention of binding the Lessor or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Lease is executed and delivered by the Lessor solely in the exercise of the powers expressly conferred upon the Lessor as trustee under the Trust Agreement, that actions to be taken by the Lessor pursuant to its obligations hereunder may, in certain instances, be taken by the Lessor only upon specific authority of the Trustor, that nothing herein contained shall be construed as creating any liability on the Lessor or the Trustor, individually or personally, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Lessee and by each and every person now or hereafter claiming by, through or under the Lessee, and that so far as Lessor or the Trustor, individually or personally are concerned, the Lessee and any person claiming by, through or under the

Lessee shall look solely to the Trust Estate as defined in the Trust Agreement for the performance of any obligation under this Lease. The term "Lessor" as used in this Lease shall include any trustee succeeding the Lessor as trustee under the Trust Agreement or the Trustor if the trust created thereby is revoked and, where the context so requires, shall refer to the Trustor. Any obligation of the Lessor hereunder may be performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Lease shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee thereunder.

NEW ENGLAND MERCHANTS
NATIONAL BANK
as Trustee

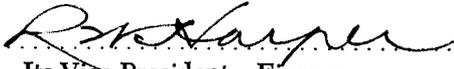
(Corporate Seal) ,

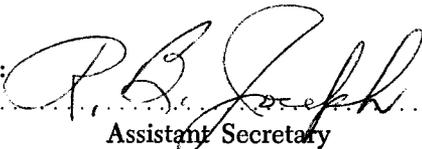
By 
Its Vice President
LESSOR

Attest: 
Corporate Trust Officer

THE ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY

(Corporate Seal)

By 
Its Vice President—Finance
LESSEE

Attest: 
Assistant Secretary

COMMONWEALTH OF MASSACHUSETTS }
COUNTY OF SUFFOLK } ss.:

On this 22nd day of May, 1974, before me personally appeared P. M. CLARK, to me personally known, who being by me duly sworn, says that he is a Vice President of NEW ENGLAND MERCHANTS NATIONAL BANK, 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.

(SEAL)

Albert J. Spithill

Notary Public

My Commission Expires: Nov. 22, 1979

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 1st day of May, 1974, before me personally appeared R. W. HARPER, to me personally known, who being by me duly sworn, says that he is the Vice President—Finance of THE ATCHISON TOPEKA AND SANTA FE RAILWAY COMPANY, 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.

(SEAL)

R. J. Feeney

Notary Public

My Commission Expires: MAY 29, 1977

SCHEDULE A
(to Equipment Lease)

MANUFACTURER	General Electric Company
PLANT OF MANUFACTURER	Erie, Pennsylvania
DESCRIPTION OF EQUIPMENT	27 3,600 H.P. Model U-36-C Diesel Electric Locomotives, Santa Fe Road Numbers 8736 to 8762, both inclusive
SPECIFICATIONS	Manufacturer's Specification 3690E, as modified by AT&SF Specification No. 20, dated August 10, 1973
BASE PRICE	\$398,260 per Item (\$10,753,020 for 27 Items) or such other price not exceeding \$11,200,000 for 27 Items as shall be agreed to between the Lessee and the Manu- facturer
DELIVER TO	The Atchison, Topeka and Santa Fe Railway Company
ESTIMATED DELIVERY DATES	May—August, 1974
OUTSIDE DELIVERY DATE	September 30, 1974
FIXED RENTAL PAYMENTS	Thirty-six (36) semiannual Fixed Rental installments in arrears as follows: 1. The first twelve (12) such installments shall each be equal to 2.5875% of the Purchase Price of each Item of Equipment; 2. The next eighteen (18) such installments shall each be equal to 6.69693% of the Purchase Price of each Item of Equipment; and 3. The final six (6) such installments shall each be equal to 1.73504% of the Purchase Price of each Item of Equip- ment.

SCHEDULE B
(to Equipment Lease)

MANUFACTURER General Motors Corporation
(Electro-Motive Division)

PLANT OF MANUFACTURER McCook, Illinois

DESCRIPTION OF EQUIPMENT 10 3,600 H.P. Model EMD SD-45-2 Locomotives, Santa Fe Road Numbers 5705 to 5714, both inclusive

SPECIFICATIONS Manufacturer's Specification 8088, as modified by AT&SF Specification No. 20, dated August 10, 1973

BASE PRICE \$388,820 per Item (\$3,888,200 for 10 Items) or such other price not exceeding \$4,000,000 for 10 Items as shall be agreed to between the Lessee and the Manufacturer

DELIVER TO The Atchison, Topeka and Santa Fe Railway Company

ESTIMATED DELIVERY DATES May, 1974

OUTSIDE DELIVERY DATE September 30, 1974

FIXED RENTAL PAYMENTS Thirty-six (36) semiannual Fixed Rental installments in arrears as follows:

1. The first twelve (12) such installments shall each be equal to 2.5875% of the Purchase Price of each Item of Equipment;
2. The next eighteen (18) such installments shall each be equal to 6.69693% of the Purchase Price of each Item of Equipment; and
3. The final six (6) such installments shall each be equal to 1.73504% of the Purchase Price of each Item of Equipment.

SCHEDULE C
(to Equipment Lease)

MANUFACTURER General Motors Corporation
(Electro-Motive Division)

PLANT OF MANUFACTURER McCook, Illinois

DESCRIPTION OF EQUIPMENT 17 2,300 H.P. Model EMD GP-39-2 Locomotives, Santa
Fe Road Numbers 3600 to 3616, both inclusive

SPECIFICATIONS Manufacturer's Specification 8075, as modified by AT&SF
Specification No. 20, dated August 10, 1973

BASE PRICE \$300,144 per Item (\$5,102,448 for 17 Items) or such other
price not exceeding \$5,200,000 for 17 Items as shall be
agreed to between the Lessee and the Manufacturer

DELIVER TO The Atchison, Topeka and Santa Fe Railway Company

ESTIMATED DELIVERY DATES August, 1974

OUTSIDE DELIVERY DATE September 30, 1974

FIXED RENTAL PAYMENTS Thirty-six (36) semiannual Fixed Rental installments in
arrears as follows:

1. The first twelve (12) such installments shall each be
equal to 2.5875% of the Purchase Price of each Item of
Equipment;
2. The next eighteen (18) such installments shall each
be equal to 6.69693% of the Purchase Price of each Item
of Equipment; and
3. The final six (6) such installments shall each be equal
to 1.73504% of the Purchase Price of each Item of Equip-
ment.

SCHEDULE D
(to Equipment Lease)

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

TO: NEW ENGLAND MERCHANTS NATIONAL BANK,
as Trustee under Santa Fe Trust No. 74-1
("Trustee")

General Electric Company or
General Motors Corporation
(Electro-Motive Division), as applicable
("Manufacturers")

I, a duly appointed inspector and authorized representative of THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY ("Lessee") and of the above named Trustee, do hereby certify that I have inspected, received, approved and accepted delivery, on behalf of the Lessee and under the Equipment Lease dated as of May 1, 1974 between the Trustee and the Lessee, and on behalf of the Trustee under the Conditional Sale Agreement dated as of May 1, 1974 among General Electric Company and General Motors Corporation (Electro-Motive Division) (the "Manufacturers"), the Trustee and the Lessee, of the following Items of Equipment ("Equipment"):

TYPE OF EQUIPMENT:

MANUFACTURER:

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF ITEMS:

NUMBERED:

I do further certify that the foregoing Equipment is in good order and condition, and conforms to the Specifications applicable thereto, and at the time of delivery to the Lessee there was plainly, distinctly, permanently and conspicuously marked in contrasting colors upon each side of each Item of Equipment the following legend in letters not less than one inch in height:

"Leased from a Bank or Trust Company, as
Lessor and Trustee-Vendee, and subject to
a Security Interest, all as Recorded with the
I.C.C."

The execution of this Certificate will in no way relieve or decrease the responsibility of the Manufacturer of the Equipment for warranties it has made with respect to the Equipment.

(Santa Fe Trust No. 74-1)

.....
Inspector and Authorized Representative
of Lessee and Trustee

SCHEDULE E
(to Equipment Lease)

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
SCHEDULE OF CASUALTY VALUE

<u>Fixed Rental Payment Date</u>	<u>Column A</u>	<u>Column B</u>	<u>Fixed Rental Payment Date</u>	<u>Column A</u>	<u>Column B</u>
1	62.5875%	44.5033%	19	46.7347%	39.0375%
2	62.5875	45.7584	20	43.6797	37.2162
3	62.5875	48.2109	21	40.4929	35.3912
4	62.5875	50.4427	22	37.1688	33.5679
5	62.5875	52.4838	23	33.7013	31.8120
6	62.5875	54.3321	24	30.0843	30.1195
7	62.5875	51.3386	25	26.3113	28.4865
8	62.5875	52.8104	26	22.3756	26.9495
9	62.5875	54.1230	27	18.2702	25.4952
10	62.5875	55.2644	28	13.9877	24.1406
11	62.5875	51.5873	29	9.5205	22.9031
12	62.5875	52.4065	30	4.8607	21.7903
13	62.5875	53.0771	31	0.00	20.8119
14	60.2162	51.7633	32	0.00	20.0974
15	57.7427	45.6746	33	0.00	19.3461
16	55.1624	44.1382	34	0.00	18.5503
17	52.4709	42.5084	35	0.00	17.7348
18	49.6633	40.7999	36	0.00	16.8827
			Thereafter	0.00	15.0000

SCHEDULE F
(to Equipment Lease)

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
SCHEDULE OF TERMINATION VALUE

<u>Fixed Rental Payment Date</u>	<u>Column A</u>
Prior to 1	103.3719%
1	104.0861
2	105.9738
3	107.6897
4	109.2449
5	110.6558
6	107.4224
7	108.5439
8	109.5266
9	110.3768
10	106.6155
11	107.2142
12	107.6929
13	103.9616
14	95.5404
15	91.4273
16	87.1150
17	82.6339
18	77.9828
19	73.1607
20	68.2196
21	63.1285
22	57.9375
23	52.6465
24	47.2472
25	41.7486
26	36.1301
27	30.4216
28	24.6030
29	18.6726
30	12.6433
31	11.4784
32	10.2609
33	9.0129
34	7.7114
35	6.3847
36 and thereafter	5.0000