

UNITED STATES TRUST COMPANY

OF NEW YORK

45 WALL STREET, NEW YORK, N. Y. 10005

RECORDATION NO. 8657 Filed & Recorded

7-011A034

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Date JAN 11 1977

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

ICS Washington, D.C.

RECORDATION NO. 8657 Filed & Recorded

January 7, 1977

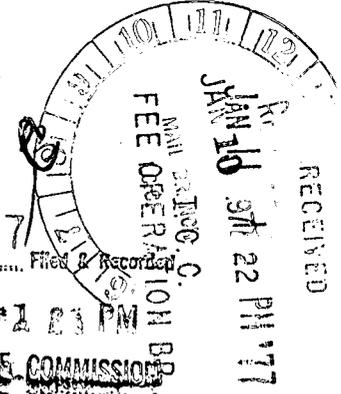
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INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 8657 Filed & Recorded

JAN 11 1977 1 23 PM

INTERSTATE COMMERCE COMMISSION



Interstate Commerce Commission
Office of the Secretary
Washington, D.C. 20423

Gentlemen:

With this letter we are enclosing for filing and recording, pursuant to 49 U.S.C. §20c, the original and three counterparts of the following:

1. Supplement to the Trust Indenture, dated as of October 1, 1976, and the Trust Indenture, dated as of May 1, 1975, signed by First Security Bank of Utah, N.A. and Thomas C. Cuthbert, not in their individual capacities, but solely as Owner Trustees, and United States Trust Company of New York, as Trustee.

2. Master Equipment Lease, dated as of October 1, 1976, signed by First Security Bank of Utah, N.A. and Thomas C. Cuthbert, not in their individual capacities, but solely as Owner Trustees, as Lessor, and Kansas City Southern Industries, Inc., as Master Lessee.

3. Lease Supplement No. 1, dated as of October 1, 1976, between First Security Bank of Utah, N.A. and Thomas C. Cuthbert, not in their individual capacities, but solely as Owner Trustees, and Kansas City Southern Industries, Inc., as Master Lessee and Lessee.

Attached are checks in the amount of \$120.00 covering the recordation fees.

The names and addresses of the parties to the documents are as follows (as filed herewith):

Owner Trustees under Supplement
to the Trust Indenture and
Trust Indenture and Lessor
under Master Equipment Lease
and Lease Supplement No. 1

First Security Bank of Utah,
N.A. and Thomas C. Cuthbert,
as Owner Trustees
79 South Main Street
Salt Lake City, Utah 84111
Attention: John Beckstead, Esq.

Trustee under Supplement to
the Trust Indenture and
Trust Indenture

United States Trust Company
of New York, as Trustee
130 John Street
New York, New York 10039
Attention: Corporate Trust
and Agency Division

Master Lessee under Master
Equipment Lease and Master
Lessee and Lessee under
Lease Supplement No. 1

Kansas City Southern
Industries, Inc.
114 W. 11th Street
Kansas City, Missouri 64105
Attention: Richard P. Bruening
General Counsel

The equipment which has been accepted and is the
subject of this filing of the Supplement to the Indenture
and Trust Indenture, Master Equipment Lease and Lease
Supplement No. 1 consists of the following:

<u>Manufacturer or Seller</u>	<u>Description</u>	<u>Identification or Serial No.</u>
Tamper Division Camron, Inc.	Hydronewer (Tie Renewer)	MW 592 25715386
"	"	MW 583 25715396
"	"	MW 584 25715406
"	"	MW 585 25715416
"	"	MW 586 25715426
"	"	MW 587 25715436

Tamper Division Camron, Inc.	Hydronewer (Tie Renewer)	MW 588 25715446
"	"	MW 589 25715456
"	"	MW 590 25715466
"	"	MW 591 25715476
Jackson Vibrators, Inc.	Model 6000 Jackson automatic high production tamper/liner	MW 801 123813
Jackson Vibrators, Inc.	Tamper with Jack and liner model 2300 (2 items)	124904 124905
Jackson Vibrators, Inc.	High production tamper/liner model 6000	123814
Fairmont Railway Motors, Inc.	Tie Shear	242478 MW 817

The equipment and will be marked, pursuant to Exhibit 2 to Lease Supplement No. 1, as follows:

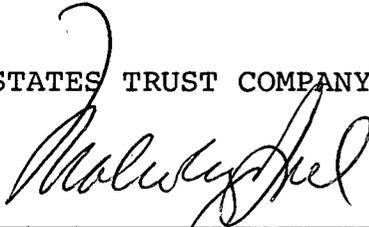
FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT, not in their individual capacities, but solely as Trustees, as Lessor under Kansas City Southern Industries, Inc. 1976 Equipment Lease No. 1; UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee, Secured Party and Lien Holder.

Please stamp one of the three counterparts to each of the documents with the recordation number, time and date and return such stamped counterparts to the messenger delivering these documents, together with your fee receipt and your usual letter confirming recordation.

Very truly yours,

UNITED STATES TRUST COMPANY OF NEW YORK

By


 Malcolm J. Hood
 Vice President

KCSI
3

REGISTRATION NO. 86576 Filed & Recorded

COUNTERPART

DUPLICATE

JAN 11 1977 1 21 PM

~~UNIVERSITY COMMISSION~~ LEASE SUPPLEMENT NO. 1

THIS LEASE SUPPLEMENT NO. 1 dated the date set forth in Exhibit 2 hereto among FIRST SECURITY BANK OF UTAH, N.A., a national banking association (the *Corporate Trustee*), and THOMAS C. CUTHBERT (the *Individual Trustee*), not in their individual capacities, but solely as trustees under a Master Trust Agreement dated as of May 1, 1975 between them and Itel Leasing Corporation (the *Owner Trustees* or the *Lessor*), and as amended as of October 1, 1976, the corporation named on the signature page hereof as "Lessee" (the *Lessee*) and KANSAS CITY SOUTHERN INDUSTRIES, INC. (the *Master Lessee*).

WITNESSETH:

WHEREAS, the Master Lessee and the Lessor have executed and delivered a Master Equipment Lease dated as of October 1, 1976 (the *Master Equipment Lease*) for the purpose of creating an arrangement whereby separate leases may be created from time to time by either the Master Lessee or a subsidiary thereof for the purposes of leasing certain equipment in separate and distinct transactions; and

WHEREAS, in accordance with the Master Equipment Lease, the Lessor, the Lessee and the Master Lessee are executing and delivering this Lease Supplement for the purpose of creating an agreement for lease of specific equipment described herein consisting of the Master Equipment Lease as it is supplemented or amended by this Lease Supplement (the *Lease*), which Lease shall be deemed dated the date of this Lease Supplement and shall be designated as *Kansas City Southern Industries, Inc. 1976 Equipment Lease No. 1*.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. *Definitions*

For the purposes of this Lease Supplement, and of the Master Equipment Lease insofar as it relates to the Lease created by this Lease Supplement, the following terms shall have the following meanings for all purposes of the Lease:

Equipment, and individually an *Item* or *Item of Equipment*, shall mean the items of equipment described in Exhibit 1 hereto.

Final Delivery Date, Daily Lease Rate Factor, Rent Commencement Date, Interim Rent Date, Basic Lease Rate Factor, Basic Rent Dates, First Basic Rent Date, Last Basic Rent Date, Expiration Date, Depreciable Life, Investment Tax Credit, Depreciation Method, Overdue Rate, Return of Equipment and Marking of Equipment shall have the meanings with respect to each Group of Equipment set forth in Exhibit 2 hereto.

First Termination Date and *Lease Extension Periods*, if either or both of such terms shall be applicable to the Lease, shall have the meanings with respect to each Group of Equipment set forth in Exhibit 2 hereto.

Casualty Value and, if such term shall be applicable to the Lease, *Termination Value* shall have the meanings with respect to each Group of Equipment set forth in Exhibit 3 hereto.

Group of Equipment and *Lessor's Cost* shall have the meanings set forth in the Certificate of Acceptance with respect to any Item or Items of Equipment.

Such terms as are defined in the Master Equipment Lease shall, when used in this Lease Supplement, have the same meanings as set forth in the Master Equipment Lease.

SECTION 2. *Agreement, Representations and Warranties of the Lessee and the Lessor*

The Lessee hereby agrees to become a party to, and the Lessee and the Lessor hereby agree to be bound by the terms and provisions of and hereby make the representations and warranties contained in, the Master Equipment Lease as it relates to the Lease created hereby.

SECTION 3. *Agreement, Representations and Warranties of the Master Lessee*

The Master Lessee, by its execution and delivery of this Lease Supplement, specifically confirms its applicable representations, warranties and covenants contained in Section 9 of the Master Equipment Lease, including without limitation its agreement of guaranty contained in paragraph (b), clause (vi) thereof if the Master Lessee is not the Lessee under the Lease.

SECTION 4. *Special Terms.*

Any special terms set forth in Exhibit 2 hereto shall be applicable to the Lease created by this Lease Supplement as though fully set forth therein.

IN WITNESS WHEREOF, the Lessor, the Lessee and the Master Lessee have caused this Lease Supplement to be duly executed by their respective officers thereunto duly authorized, on the date set forth in Exhibit 2 hereto.

FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT, not in their individual capacities, but solely as trustees under a Master Trust Agreement dated as of May 1, 1975 between them and Itel Leasing Corporation and as amended as of October 1, 1976
as *Lessor*

By **FIRST SECURITY BANK OF UTAH, N.A.**, not in its individual capacity, but solely as Corporate Trustee and on behalf of the Individual Trustee,
as *Corporate Trustee*

By _____
Authorized Officer

KANSAS CITY SOUTHERN INDUSTRIES, INC.,
as *Master Lessee* and *Lessee*

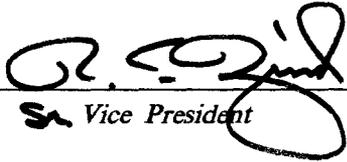
By  _____
Sr. Vice President

EXHIBIT 1
to Lease Supplement No. 1

DESCRIPTION OF EQUIPMENT

<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>	
				<u>Item</u>	<u>Aggregate</u>
1	3	Jackson Railroad Equipment Co., Chicago, Ill.	High Production Tamper/Liner - Model 6000 (used for surfacing and lining track). Ark., Ka., Lo., Mo., Okla. and Tex.	\$123,000	\$369,000
1	2	Jackson Railroad Equipment Co., Chicago, Ill.	Tamper with Jack and Liner - Model 2300 (used for surfacing and lining track). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 65,590	\$131,180
1	4	Plasser American Corporation, Chesapeake, Va.	Ballast Regulator (spreads ballast). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 47,500	\$190,000
1	2	Rex Chainbelt Inc., Nordberg Division, Milwaukee, Wisc.	Tie Inserter (mechanically inserts ties under rail). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 93,250	\$186,500
1	1	Fairmont Railway Motors, Inc., St. Louis, Mo.	Tie Shear (cuts old ties into three pieces for easier removal). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 47,570	\$ 47,570
1	1	Pettibone Corp., Chicago, Ill.	Speed Swing Crane with Magnet (facilitates the movement of material). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 81,500	\$ 81,500

EXHIBIT 1
to
Lease Supplement No. 1
Page 2

<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>	
				<u>Item</u>	<u>Aggregate</u>
1	10	Tamper, W. Columbia, S.C.	Hydranewers (used to replace old ties). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 10,150	\$101,500
1	1	Hoesch America Inc., Atlanta, Ga.	Rerailer (used for rerailling of freight cars and locomotives). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 34,000	\$ 34,000
1	—	Computerm Corp, Pittsburgh, Pa.	Channel Extension Unit and 16K Concentrator (peripheral computer equipment used to expand communication capabilities). Kansas City, Mo.	—	\$ 80,000
1	—	Storage Technology Corporation, Louisville, Col.	Tape Drives - Model 3660 (reads and writes magnetic tape files). Kansas City, Mo.	—	\$113,000
1	2	*	TCR-100 Video Cartridge Recorder (automates telecasting of commercials). Peoria, Ill. and Jefferson City, Mo.	—	+
1	5	*	TR-600 Video Tape Recorder (improves picture quality and programming flex- ibility). Peoria, Ill. and Jefferson City, Mo.	—	+

EXHIBIT 1
to
Lease Supplement No. 1
Page 3

<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>	
				<u>Item</u>	<u>Aggregate</u>
1	—	*	Miscellaneous Audio Equipment (improves present audio equipment). Peoria, Ill. and Jefferson City, Mo.	—	+
1	2	*	Electronic News Gathering Equipment — TK-76 Camera and associated gear (portable electronic camera for use outside of studio). Peoria, Ill. and Jefferson City, Mo.	—	+
1	2	*	Studio Camera — TK-46 Camera and associated gear (replacement of current cameras). Peoria, Ill. and Jefferson City, Mo.	—	+
2	1	*	UHF Transmitter — TTU-60C Transmitter and associated gear (replacement of obsolete transmitter). Peoria, Ill. and Jefferson City, Mo.	—	+

The items marked * above are manufactured by various manufacturers arranged by RCA Corporation

RCA package price for items marked + above

\$1,170,000

EXHIBIT 1
to
Lease Supplement No. 1
Page 4

<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>		
				<u>Item</u>	<u>Aggregate</u>	
1	—	Sony Corp., Chicago, Ill.	Editing Equipment — Reel to Reel Tape Recorders and associated equipment (used in connection with the electronic news gathering equipment). Peoria, Ill.	—	\$100,000	
1	1	Thompson Laboratories, Stamford, Conn.	Character Generator (improves news program presentation and better quality local commercials). Jefferson City, Mo.	\$ 25,000	\$ 25,000	
2	1	—	Tape Controlled Metal Machine (semi- automated sheet metal cutting machine). Kansas City, Mo.	\$250,000	\$250,000	
1	—	Xerox Corporation, Stamford, Conn.	Copier Machines (various models). Kansas City, Mo.	—	\$100,000	
Total Estimated Lessor's Cost						9 \$2,279,250

(a) Each Group of Equipment is designated according to the term of the Lease with respect to such Group, and shall be further designated according to the date of acceptance of each Item of Equipment as set forth in the Certificate of Acceptance relating to such Item, as follows:

<u>Date of Acceptance and Term of Lease</u>	<u>Group</u>
July 1 – December 31, 1976 and with a seven year lease term	1A
January 1 – June 30, 1977 and with a seven year lease term	1B
July 1 – December 31, 1976 and with a fifteen year lease term	2A
January 1 – June 30, 1977 and with a fifteen year lease term	2B

Except as otherwise expressly provided or as the context shall otherwise require, as used in the Related Participation Agreement, the Indenture, the Related Supplements and the Lease and in all certificates and other instruments delivered pursuant thereto, the terms "Group" or "Group of Equipment" shall refer to the designations described above.

(b) Equipment shall include such additional quantities of Items of Equipment specifically described above as the Lessee shall include in a Certificate of Acceptance.

(c) Upon the prior written consent of the Lessor and the Related Lender, which consent shall not be unreasonably withheld, additional equipment not specifically described above may be included as Equipment for the purposes hereof.

(d) All the Equipment shall be new equipment.

EXHIBIT 2
to Lease Supplement No. 1

GROUPS OF EQUIPMENT
1A, 1B, 2A, 2B

*Date of Lease and
Lease Supplement:*

As of October 1, 1976

	<u>Groups</u>			
	<u>1A</u>	<u>1B</u>	<u>2A</u>	<u>2B</u>
<i>Final Delivery Date:</i>	12/31/76	06/30/77	12/31/76	06/30/77
<i>Daily Lease Rate Factor:</i>	(a)	(a)	(a)	(a)
<i>Rent Commencement Date:</i>	(b)	(b)	(b)	(b)
<i>Interim Rent Date:</i>	01/15/77	07/15/77	01/15/77	07/15/77
<i>Basic Lease Rate Factor:</i>	7.9465	7.9518	4.9809	4.9938
<i>Basic Rent Dates:</i>	(c)	(c)	(c)	(c)
<i>First Basic Rent Date:</i>	07/15/77	01/15/78	07/15/77	01/15/78
<i>Last Basic Rent Date:</i>	01/15/84	07/15/84	01/15/92	07/15/92
<i>Expiration Date:</i>	01/15/84	07/15/84	01/15/92	07/15/92
<i>First Termination Date:</i>	07/15/81	01/15/82	01/15/86	07/15/86
<i>Depreciable Life:</i>	7-year	7-year	15-year	15-year
<i>Investment Tax Credit:</i>	10%	10%	10%	10%

(a) 1/360th of 120% of a rate per annum which shall be the Bank of America, National Trust & Savings Association prime interest rate for unsecured 90-day loans to substantial and responsible commercial borrowers in effect on the Closing Date as adjusted from time to time thereafter to reflect all changes in such prime interest rate effective on the next business day following each change in such prime rate.

(b) The Closing Date with respect to an Item of Leased Equipment.

(c) January 15 and July 15 of each year commencing, with respect to each Group of Equipment, on the First Basic Rent Date and ending on the Last Basic Rent Date.

EXHIBIT 3
to Lease Supplement No. 1

GROUPS OF EQUIPMENT
1A, 1B, 2A, 2B

The Casualty Value and Termination Value of each Item shall be the percentage of the Lessor's Cost of such Item set forth opposite the applicable Rent Payment with respect to the applicable Group of Equipment:

<u>Interim Rent Date and Basic Rent Payment No.</u>	<u>Casualty Value(a)(b)</u>		<u>Termination Value(a)(b)</u>	
	<u>Group</u>		<u>Group</u>	
	<u>1A</u>	<u>1B</u>	<u>1A</u>	<u>1B</u>
Interim Rent Date	91.0979	91.0447	-	-
1	88.8184	89.0613	-	-
2	85.7084	86.0327	-	-
3	81.9603	82.3794	-	-
4	77.7183	78.2089	-	-
5	73.0684	73.5948	-	-
6	68.0905	68.6008	-	-
7	62.8211	63.3076	-	-
8	57.3475	57.7321	-	-
9	51.6098	51.9621	43.7249	44.0772
10	45.6975	45.9311	37.2628	37.4965
11	39.5405	39.7295	30.5310	30.7200
12	33.2294	33.2895	23.6186	23.6787
13	26.6828	26.6905	16.4433	16.4509
14 and thereafter	20.0000	20.0000	00.0000	00.0000

<u>Interim Rent Date and Basic Rent Payment No.</u>	<u>Casualty Value (a)(b)</u>		<u>Termination Value (a)(b)</u>	
	<u>Group</u>		<u>Group</u>	
	<u>2A</u>	<u>2B</u>	<u>2A</u>	<u>2B</u>
Interim Rent Date	86.5358	86.5088	-	-
1	86.5982	86.8374	-	-
2	86.3719	86.6701	-	-
3	85.9127	86.2554	-	-
4	85.2197	85.6323	-	-
5	84.3293	84.7893	-	-
6	83.2324	83.7576	-	-
7	81.9579	82.5311	-	-
8	80.5020	81.1339	-	-
9	78.8871	79.5650	-	-

First Sec.
DUPLICATE

LEASE SUPPLEMENT NO. 1

THIS LEASE SUPPLEMENT NO. 1 dated the date set forth in Exhibit 2 hereto among FIRST SECURITY BANK OF UTAH, N.A., a national banking association (the *Corporate Trustee*), and THOMAS C. CUTHBERT (the *Individual Trustee*), not in their individual capacities, but solely as trustees under a Master Trust Agreement dated as of May 1, 1975 between them and IteL Leasing Corporation (the *Owner Trustees* or the *Lessor*), and as amended as of October 1, 1976, the corporation named on the signature page hereof as "Lessee" (the *Lessee*) and KANSAS CITY SOUTHERN INDUSTRIES, INC. (the *Master Lessee*).

W I T N E S S E T H :

WHEREAS, the Master Lessee and the Lessor have executed and delivered a Master Equipment Lease dated as of October 1, 1976 (the *Master Equipment Lease*) for the purpose of creating an arrangement whereby separate leases may be created from time to time by either the Master Lessee or a subsidiary thereof for the purposes of leasing certain equipment in separate and distinct transactions; and

WHEREAS, in accordance with the Master Equipment Lease, the Lessor, the Lessee and the Master Lessee are executing and delivering this Lease Supplement for the purpose of creating an agreement for lease of specific equipment described herein consisting of the Master Equipment Lease as it is supplemented or amended by this Lease Supplement (the *Lease*), which Lease shall be deemed dated the date of this Lease Supplement and shall be designated as *Kansas City Southern Industries, Inc. 1976 Equipment Lease No. 1*.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions

For the purposes of this Lease Supplement, and of the Master Equipment Lease insofar as it relates to the Lease created by this Lease Supplement, the following terms shall have the following meanings for all purposes of the Lease:

Equipment, and individually an *Item* or *Item of Equipment*, shall mean the items of equipment described in Exhibit 1 hereto.

Final Delivery Date, Daily Lease Rate Factor, Rent Commencement Date, Interim Rent Date, Basic Lease Rate Factor, Basic Rent Dates, First Basic Rent Date, Last Basic Rent Date, Expiration Date, Depreciable Life, Investment Tax Credit, Depreciation Method, Overdue Rate, Return of Equipment and Marking of Equipment shall have the meanings with respect to each Group of Equipment set forth in Exhibit 2 hereto.

First Termination Date and Lease Extension Periods, if either or both of such terms shall be applicable to the Lease, shall have the meanings with respect to each Group of Equipment set forth in Exhibit 2 hereto.

Casualty Value and, if such term shall be applicable to the Lease, *Termination Value* shall have the meanings with respect to each Group of Equipment set forth in Exhibit 3 hereto.

Group of Equipment and *Lessor's Cost* shall have the meanings set forth in the Certificate of Acceptance with respect to any Item or Items of Equipment.

Such terms as are defined in the Master Equipment Lease shall, when used in this Lease Supplement, have the same meanings as set forth in the Master Equipment Lease.

SECTION 2. *Agreement, Representations and Warranties of the Lessee and the Lessor*

The Lessee hereby agrees to become a party to, and the Lessee and the Lessor hereby agree to be bound by the terms and provisions of and hereby make the representations and warranties contained in, the Master Equipment Lease as it relates to the Lease created hereby.

SECTION 3. *Agreement, Representations and Warranties of the Master Lessee*

The Master Lessee, by its execution and delivery of this Lease Supplement, specifically confirms its applicable representations, warranties and covenants contained in Section 9 of the Master Equipment Lease, including without limitation its agreement of guaranty contained in paragraph (b), clause (vi) thereof if the Master Lessee is not the Lessee under the Lease.

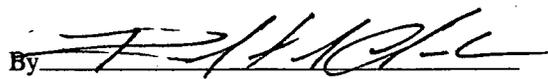
SECTION 4. *Special Terms.*

Any special terms set forth in Exhibit 2 hereto shall be applicable to the Lease created by this Lease Supplement as though fully set forth therein.

IN WITNESS WHEREOF, the Lessor, the Lessee and the Master Lessee have caused this Lease Supplement to be duly executed by their respective officers thereunto duly authorized, on the date set forth in Exhibit 2 hereto.

FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT, not in their individual capacities, but solely as trustees under a Master Trust Agreement dated as of May 1, 1975 between them and IteL Leasing Corporation and as amended as of October 1, 1976
as *Lessor*

By **FIRST SECURITY BANK OF UTAH, N.A.**, not in its individual capacity, but solely as Corporate Trustee and on behalf of the Individual Trustee,
as *Corporate Trustee*

By 
Authorized Officer

KANSAS CITY SOUTHERN INDUSTRIES, INC.,
as *Master Lessee* and *Lessee*

By _____
Vice President

EXHIBIT 1
to Lease Supplement No. 1

DESCRIPTION OF EQUIPMENT

<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>	
				<u>Item</u>	<u>Aggregate</u>
1	3	Jackson Railroad Equipment Co., Chicago, Ill.	High Production Tamper/Liner - Model 6000 (used for surfacing and lining track). Ark., Ka., Lo., Mo., Okla. and Tex.	\$123,000	\$369,000
1	2	Jackson Railroad Equipment Co., Chicago, Ill.	Tamper with Jack and Liner - Model 2300 (used for surfacing and lining track). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 65,590	\$131,180
1	4	Plasser American Corporation, Chesapeake, Va.	Ballast Regulator (spreads ballast). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 47,500	\$190,000
1	2	Rex Chainbelt Inc., Nordberg Division, Milwaukee, Wisc.	Tie Inserter (mechanically inserts ties under rail). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 93,250	\$186,500
1	1	Fairmont Railway Motors, Inc., St. Louis, Mo.	Tie Shear (cuts old ties into three pieces for easier removal). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 47,570	\$ 47,570
1	1	Pettibone Corp., Chicago, Ill.	Speed Swing Crane with Magnet (facilitates the movement of material). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 81,500	\$ 81,500

EXHIBIT 1
to
Lease Supplement No. 1
Page 2

<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>	
				<u>Item</u>	<u>Aggregate</u>
1	10	Tamper, W. Columbia, S.C.	Hydranewers (used to replace old ties). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 10,150	\$101,500
1	1	Hoesch America Inc., Atlanta, Ga.	Rerailer (used for rereiling of freight cars and locomotives). Ark., Ka., Lo., Mo., Okla. and Tex.	\$ 34,000	\$ 34,000
1	—	Computerm Corp, Pittsburgh, Pa.	Channel Extension Unit and 16K Concentrator (peripheral computer equipment used to expand communication capabilities). Kansas City, Mo.	—	\$ 80,000
1	—	Storage Technology Corporation, Louisville, Col.	Tape Drives - Model 3660 (reads and writes magnetic tape files). Kansas City, Mo.	—	\$113,000
1	2	*	TCR-100 Video Cartridge Recorder (automates telecasting of commercials). Peoria, Ill. and Jefferson City, Mo.	—	+
1	5	*	TR-600 Video Tape Recorder (improves picture quality and programming flex- ibility). Peoria, Ill. and Jefferson City, Mo.	—	+

EXHIBIT 1
to
Lease Supplement No. 1
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<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>	
				<u>Item</u>	<u>Aggregate</u>
1	—	*	Miscellaneous Audio Equipment (improves present audio equipment). Peoria, Ill. and Jefferson City, Mo.	—	+
1	2	*	Electronic News Gathering Equipment — TK-76 Camera and associated gear (portable electronic camera for use outside of studio). Peoria, Ill. and Jefferson City, Mo.	—	+
1	2	*	Studio Camera — TK-46 Camera and associated gear (replacement of current cameras). Peoria, Ill. and Jefferson City, Mo.	—	+
2	1	*	UHF Transmitter — TTU-60C Transmitter and associated gear (replacement of obsolete transmitter). Peoria, Ill. and Jefferson City, Mo.	—	+

The items marked * above are manufactured by various manufacturers arranged by RCA Corporation

RCA package price for items marked + above

\$1,170,000

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<u>Groups of Equipment(a)</u>	<u>Quantity(b)</u>	<u>Manufacturer/Seller</u>	<u>Description(c) (d) and Location</u>	<u>Estimated Lessor's Cost</u>		
				<u>Item</u>	<u>Aggregate</u>	
1	—	Sony Corp., Chicago, Ill.	Editing Equipment — Reel to Reel Tape Recorders and associated equipment (used in connection with the electronic news gathering equipment). Peoria, Ill.	—	\$100,000	
1	1	Thompson Laboratories, Stamford, Conn.	Character Generator (improves news program presentation and better quality local commercials). Jefferson City, Mo.	\$ 25,000	\$ 25,000	
2	1	—	Tape Controlled Metal Machine (semi- automated sheet metal cutting machine). Kansas City, Mo.	\$250,000	\$250,000	
1	—	Xerox Corporation, Stamford, Conn.	Copier Machines (various models). Kansas City, Mo.	—	\$100,000	
Total Estimated Lessor's Cost						\$2,979,250

(a) Each Group of Equipment is designated according to the term of the Lease with respect to such Group, and shall be further designated according to the date of acceptance of each Item of Equipment as set forth in the Certificate of Acceptance relating to such Item, as follows:

<u>Date of Acceptance and Term of Lease</u>	<u>Group</u>
July 1 - December 31, 1976 and with a seven year lease term	1A
January 1 - June 30, 1977 and with a seven year lease term	1B
July 1 - December 31, 1976 and with a fifteen year lease term	2A
January 1 - June 30, 1977 and with a fifteen year lease term	2B

Except as otherwise expressly provided or as the context shall otherwise require, as used in the Related Participation Agreement, the Indenture, the Related Supplements and the Lease and in all certificates and other instruments delivered pursuant thereto, the terms "Group" or "Group of Equipment" shall refer to the designations described above.

(b) Equipment shall include such additional quantities of Items of Equipment specifically described above as the Lessee shall include in a Certificate of Acceptance.

(c) Upon the prior written consent of the Lessor and the Related Lender, which consent shall not be unreasonably withheld, additional equipment not specifically described above may be included as Equipment for the purposes hereof.

(d) All the Equipment shall be new equipment.

EXHIBIT 2
to Lease Supplement No. 1

GROUPS OF EQUIPMENT
1A, 1B, 2A, 2B

Date of Lease and Lease Supplement: As of October 1, 1976

	<u>Groups</u>			
	<u>1A</u>	<u>1B</u>	<u>2A</u>	<u>2B</u>
<i>Final Delivery Date:</i>	12/31/76	06/30/77	12/31/76	06/30/77
<i>Daily Lease Rate Factor:</i>	(a)	(a)	(a)	(a)
<i>Rent Commencement Date:</i>	(b)	(b)	(b)	(b)
<i>Interim Rent Date:</i>	01/15/77	07/15/77	01/15/77	07/15/77
<i>Basic Lease Rate Factor:</i>	7.9465	7.9518	4.9809	4.9938
<i>Basic Rent Dates:</i>	(c)	(c)	(c)	(c)
<i>First Basic Rent Date:</i>	07/15/77	01/15/78	07/15/77	01/15/78
<i>Last Basic Rent Date:</i>	01/15/84	07/15/84	01/15/92	07/15/92
<i>Expiration Date:</i>	01/15/84	07/15/84	01/15/92	07/15/92
<i>First Termination Date:</i>	07/15/81	01/15/82	01/15/86	07/15/86
<i>Depreciable Life:</i>	7-year	7-year	15-year	15-year
<i>Investment Tax Credit:</i>	10%	10%	10%	10%

(a) 1/360th of 120% of a rate per annum which shall be the Bank of America, National Trust & Savings Association prime interest rate for unsecured 90-day loans to substantial and responsible commercial borrowers in effect on the Closing Date as adjusted from time to time thereafter to reflect all changes in such prime interest rate effective on the next business day following each change in such prime rate.

(b) The Closing Date with respect to an Item of Leased Equipment.

(c) January 15 and July 15 of each year commencing, with respect to each Group of Equipment, on the First Basic Rent Date and ending on the Last Basic Rent Date.

Overdue Rate: 1% over the Long-Term Debt Rate, as such term is defined in the Related Supplements executed in connection herewith.

Depreciation Method: Double declining balance method and switching to the sum-of-the-years digits method without the prior consent of the Commissioner of Internal Revenue utilizing either the "modified half-year" or the "half-year" convention pursuant to Reg. §1.167(a)-11(c)(2) and taking into account an estimated Gross Salvage Value of 10% of the Lessor's Cost of such Item, which will be reduced by 10% as provided in section 167(f) of the Code.

Lease Extension Periods: Two periods of 1 year each

Return of Equipment: The Lessee will redeliver railroad Equipment either to Kansas City, Missouri or anywhere on the railroad tracks of the Master Lessee or any of its subsidiaries, as the Lessor shall designate. The Lessee will redeliver all other Equipment anywhere within a radius from the then present location of such Equipment equal in distance to the difference between the then present location of such Equipment and Kansas City, Missouri, as the Lessor shall designate.

Marking of Equipment: FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT, not in their individual capacities, but solely as Trustees, as Lessor under Kansas City Southern Industries, Inc. 1976 Equipment Lease No. 1; UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee, Secured Party and Lienholder.

Description of Litigation, if any, Required by Section 8(d) of the Master Equipment Lease: None

Description of Litigation, if any, Required by Section 9(b)(iv) of the Master Equipment Lease: None

Special Terms Pursuant to Section 4 of this Lease Supplement: (A) The Lessee and the Master Lessee hereby consent to the terms of the Master Trust Agreement dated as of May 1, 1976 and as amended as of October 1, 1976 between the Corporate Trustee and the Individual Trustee and ITEL Leasing Corporation and to the Indenture (including the Related Supplements).

(B) The Lessee and the Master Lessee hereby agree not to purchase, directly or indirectly, any of the Related Notes.

EXHIBIT 3
to Lease Supplement No. 1

GROUPS OF EQUIPMENT
1A, 1B, 2A, 2B

The Casualty Value and Termination Value of each Item shall be the percentage of the Lessor's Cost of such Item set forth opposite the applicable Rent Payment with respect to the applicable Group of Equipment:

<u>Interim Rent Date and Basic Rent Payment No.</u>	<u>Casualty Value(a)(b)</u>		<u>Termination Value(a)(b)</u>	
	<u>Group</u>		<u>Group</u>	
	<u>1A</u>	<u>1B</u>	<u>1A</u>	<u>1B</u>
Interim Rent Date	91.0979	91.0447	-	-
1	88.8184	89.0613	-	-
2	85.7084	86.0327	-	-
3	81.9603	82.3794	-	-
4	77.7183	78.2089	-	-
5	73.0684	73.5948	-	-
6	68.0905	68.6008	-	-
7	62.8211	63.3076	-	-
8	57.3475	57.7321	-	-
9	51.6098	51.9621	43.7249	44.0772
10	45.6975	45.9311	37.2628	37.4965
11	39.5405	39.7295	30.5310	30.7200
12	33.2294	33.2895	23.6186	23.6787
13	26.6828	26.6905	16.4433	16.4509
14 and thereafter	20.0000	20.0000	00.0000	00.0000

<u>Interim Rent Date and Basic Rent Payment No.</u>	<u>Casualty Value (a)(b)</u>		<u>Termination Value (a)(b)</u>	
	<u>Group</u>		<u>Group</u>	
	<u>2A</u>	<u>2B</u>	<u>2A</u>	<u>2B</u>
Interim Rent Date	86.5358	86.5088	-	-
1	86.5982	86.8374	-	-
2	86.3719	86.6701	-	-
3	85.9127	86.2554	-	-
4	85.2197	85.6323	-	-
5	84.3293	84.7893	-	-
6	83.2324	83.7576	-	-
7	81.9579	82.5311	-	-
8	80.5020	81.1339	-	-
9	78.8871	79.5650	-	-

<u>Interim Rent Date and Basic Rent Payment No.</u>	<u>Casualty Value (a)(b)</u>		<u>Termination Value (a)(b)</u>	
10	77.1145	77.8427	-	-
11	75.2008	75.9704	-	-
12	73.1524	73.9610	-	-
13	70.9805	71.8229	-	-
14	68.6967	69.5639	-	-
15	66.3072	67.1971	-	-
16	63.8287	64.7258	-	-
17	61.2633	62.1487	-	-
18	58.6326	59.4635	51.9329	52.7639
19	55.8968	56.6910	48.7954	49.5897
20	53.0799	53.8116	45.5586	46.2902
21	50.1602	50.8489	42.1995	42.8883
22	47.1638	47.7801	38.7437	39.3600
23	44.0654	44.6317	35.1648	35.7311
24	40.8943	41.3779	31.4911	31.9748
25	37.6234	38.0461	27.6947	28.1174
26	34.2794	34.6091	23.8010	24.1307
27	30.8333	31.0923	19.7801	20.0390
28	27.3132	27.4662	15.6587	15.8117
29	23.6876	23.7587	11.4043	11.4754
30 and thereafter	20.0000	20.0000	00.0000	00.0000

(a) Casualty Values and Termination Values are expressed as a percentage of Lessor's Cost. Such percentages have been computed without regard to recapture of Investment Tax Credit. Consequently, such percentages applicable on the Interim Rent Date or any Basic Rent Date where a Casualty Value or a Termination Value shall be payable with respect to an Event of Loss or termination occurring on or before the third, fifth and seventh anniversaries of the date of acceptance set forth in the Certificate of Acceptance for such Item shall be increased by the percentage of Lessor's Cost set forth below, and for purposes of the Lease, Casualty Values and Termination Values payable on such dates shall be determined on the basis of the sum of such percentages:

<u>Anniversary of the Date of Acceptance</u>	<u>Percentage of Lessor's Cost to be Added to the Foregoing Percentage</u>
Third	19.9835%
Fifth	13.3224%
Seventh	6.6612%

(b) Any payment of Casualty Value on the Interim Rent Date or any Basic Rent Date and any payment of Termination Value on any Basic Rent Date shall in no event be less than an amount which, assuming the payment in full of all amounts of Basic Rent due and payable on such date, shall be equal to that portion of the principal of the Notes of such series, together with accrued interest thereon, due and payable in consequence of such Event of Loss or termination.