

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Law Department

888 Union Station Building • Chicago, Illinois 60606

JAMES A. ROMANYAK
General Attorney

RECORDATION NO. 9136-B Filed & Recorded

DEC 27 1977-12 15 PM

INTERSTATE COMMERCE COMMISSION RECORDATION NO. 9136 Filed & Recorded

December 21, 1977

DEC 27 1977-12 15 PM

RECORDATION NO. 9136-C Filed & Recorded
INTERSTATE COMMERCE COMMISSION

Mr. H. G. Homme, Jr. DEC 27 1977-12 15 PM

Acting Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. 9136-A Filed & Recorded

DEC 27 1977-12 15 PM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Homme:

Pursuant to the provisions of Section 20c of the Interstate Commerce Act, as amended, and the regulations of the Interstate Commerce Commission promulgated thereunder, there are herewith transmitted for filing and recording the following documents:

- (a) an original and two certified true copies of an "Equipment Lease Agreement Between Chicago, Milwaukee, St. Paul and Pacific Railroad and the Regional Transportation Authority" which document is dated November 7, 1977;
- (b) an original and two certified true copies of each of the three following documents:
 Equipment Lease Supplement No. 1, dated November 30, 1977
 Equipment Lease Supplement No. 2, dated December 1, 1977
 Equipment Lease Supplement No. 3, dated December 20, 1977

The above three Supplements have been executed pursuant to and in accordance with the above Equipment Lease Agreement, and are to be attached under Appendix A of said Agreement.

The names and addresses of the parties to said Lease Agreement are as follows:

Regional Transportation Authority, Lessor
Post Office Box 3858
Chicago, Illinois 60654

7-351A110
No.

Date DEC 27 1977

Fee \$ 80

ICC Washington, D. C.

RECEIVED
DEC 27 1977
FEE OPERATION BR.
I.C.C.

Open by Stephen Charles

Mr. H. G. Homme
Page 2

Chicago, Milwaukee, St. Paul and Pacific Railroad
Company, Lessee
Union Station
516 West Jackson Boulevard
Suite 888
Chicago, Illinois 60606

A general description of the equipment covered by said Lease Agreement and Supplements Nos. 1, 2 and 3, is as follows:

chs
~~6~~ new F-40-PH diesel-electric locomotives manufactured by Electro-Motive Division of General Motors Corporation bearing the following RTA numbers, names and manufacturer's serial numbers:

<u>RTA Numbers</u>	<u>Name</u>	<u>Serial Numbers</u>
118	McHenry County	76062-19
120	Village of Woodstock	76062-21
121	Lake County	76062-22
122	Village of Deerfield	76062-23
123	Village of Libertyville	76062-24
124	City of Lake Forest	76062-25

The above-identified Equipment Lease Agreement and Supplements Nos. 1, 2 and 3 have not heretofore been recorded with the Interstate Commerce Commission. Please accept the enclosures for recordation stamp the originals of the Agreement and the originals of the three Supplements with the appropriate recordation number, date and hour of recordation, and notation and return them with your fee receipt to my delivering messenger.

The filing and recordation fee in the amount of \$80.00 in respect of these documents is submitted herewith.

Yours very truly,

CHICAGO, MILWAUKEE, ST. PAUL
AND PACIFIC RAILROAD COMPANY

By *James A. Ramsey*
General Attorney

cc: Mr. S. J. Barry
Mr. William G. McMaster, Jr. Esq.

Interstate Commerce Commission

Washington, D.C. 20423

12/27/77

OFFICE OF THE SECRETARY

**James A. Romanyak, Gen. Atty.
Chicago, Milwaukee, St. Paul & Pac. RR. Co.
888 Union Station Building
Chicago, Illinois 60606**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **12/27/77** at **12:15pm** and assigned recordation number(s) **9136.9136-A, 9136-B & 9136-C**

Sincerely yours,



**H.G. Homme, Jr.
Acting Secretary**

Enclosure(s)

**SE-30-T
(6/77)**

EQUIPMENT LEASE AGREEMENT
BETWEEN
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD **9136**

AND
THE REGIONAL TRANSPORTATION AUTHORITY

RECORDATION NO. Filed & Recorded

DEC 27 1977-12 12 PM

INTERSTATE COMMERCE COMMISSION

This Equipment Lease is entered into this 1st

day of November, 1977, by and between the REGIONAL TRANSPORTATION AUTHORITY ("Authority"), a municipal corporation duly organized and existing under the provisions of the Regional Transportation Authority Act of the State of Illinois and the CHICAGO, MILWAUKEE, ST. PAUL and PACIFIC RAILROAD COMPANY, a Wisconsin corporation ("Railroad").

1. The Lease. On the terms and conditions set forth in this Equipment Lease and except as otherwise provided in any Service Agreement, the Authority agrees to lease to Railroad for Railroad's exclusive possession and use, and Railroad agrees to lease from the Authority, for the Lease Term, the railroad locomotives described in the Equipment Lease Supplements executed concurrently herewith and from time to time hereafter.

2. Definitions. The following words shall have the following meanings when used in this Equipment Lease:

Act -- the Regional Transportation Authority Act (Ill. Rev. Stat. 1975 ch. 111 2/3 §701.01, et seq.) as heretofore or hereafter amended.

Commuter Service -- Railroad's usual business as a Transportation Agency providing Public Transportation service by rail.

Delivery Date -- with respect to a Unit, the date on which such Unit is first delivered to Railroad.

Equipment -- all units of equipment described in Equipment Lease Supplements.

Equipment Lease -- this Equipment Lease Agreement.

Equipment Lease Supplement and Supplement -- each document substantially in the form of Appendix A, and executed in accordance with Section 1, by which Units are added to this Equipment Lease Agreement.

Event of Default -- the meaning thereof set forth in Section 16.

IDOT -- the Illinois Department of Transportation and any agency, division or administration thereof.

Metropolitan Region -- the meaning thereof set forth in the Act.

Lease Term -- the meaning thereof set forth in Section 14.

Public Transportation -- the meaning thereof set forth in the Act.

Revenue Service -- the use of a Unit by Railroad in Commuter Service or in any other manner which produces revenues to Railroad or which involves carriage of members of the public.

Service Agreement -- at any time, the Purchase of Service Agreement, between the Authority and Railroad, effective July 1, 1975, or any successor agreement then in effect under which the Authority purchases any Commuter Service from Railroad.

Transportation Agency -- the meaning thereof set forth in the Act.

UMTA -- the United States Department of Transportation and any agency, division or administration thereof.

Unit -- each locomotive included in the Equipment and each bi-level commuter car included in the Equipment.

3. Use. (a) Except as otherwise provided in this Equipment Lease or in a Service Agreement, Railroad hereby agrees that it will retain and use each Unit during the Lease Term only for Commuter Service.

(b) Railroad shall not remove any Unit of Equipment from the Metropolitan Region, except: (i) for purposes of emergency detours when damaged or blocked track prevent operation on Railroad's regular Commuter Service tracks, and (ii) otherwise only in accordance with the prior written consent of the Authority. Railroad 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. Railroad shall not permit any Unit to be used in

violation of any federal, state or municipal laws, ordinances, or regulations, or contrary to the provisions of any applicable insurance policy (except policies to the terms of which Railroad has not agreed or consented, which agreement or consent shall not be unreasonably withheld). Railroad shall indemnify and hold the Authority, UMTA and IDOT harmless from any and all fines, forfeitures, damages or penalties resulting from such violations by Railroad.

4. Delivery. The Authority will deliver each Unit to Railroad, and will advise Railroad from time to time of expected Delivery Dates. The Authority shall not be liable to Railroad for any failure or delay in delivery of any Unit to Railroad.

5. Acceptance. At the time of delivery of each Unit to Railroad, and before such Unit is used in Revenue Service, Railroad shall execute and deliver to the Authority an Equipment Lease Supplement with respect to such Unit. No Unit shall be placed in Revenue Service until an Equipment Lease Supplement has been executed and delivered. If a Unit is used in Revenue Service and an Equipment Lease Supplement has not been executed and delivered with respect

to such Unit, Railroad shall be deemed to have executed and delivered an Equipment Lease Supplement with respect to such Unit and it shall be conclusively presumed as between the Authority and Railroad that such Unit has been inspected and unconditionally accepted by Railroad for lease hereunder as of the time it was placed in Revenue Service.

6. Rentals. Railroad agrees to pay to the Authority on each anniversary of the date of this Equipment Lease a rental of One Dollar (\$1.00) per year for the possession and use of the Equipment during the continuance of this Equipment Lease.

7. No Encumbrances. (a) Nothing shall affect the Authority's absolute ownership of and title to the Equipment. Such ownership and title are hereby expressly reserved to and retained by the Authority. Railroad agrees not to sublease any of the Equipment, nor to permit any of the Equipment to pass from under its control, nor to be taken off its property or the property of its subsidiaries other than for the purpose of repairs or except as hereinafter provided in the equipment transfer provision of Section 25 or as otherwise provided in this Equipment Lease.

(b) Railroad agrees that it will not, in any manner, suffer or permit any of the Equipment to be pledged, seized, or held for any tax, debt, lien, or obligation whatsoever, nor to be in any manner encumbered by or in consequence of any such tax, debt, lien, or obligation.

(c) Railroad will pay and discharge when due and payable all taxes, fees, assessments and other governmental charges or levies imposed with respect to any of the Equipment, provided that any such tax, fee, assessment, charge or levy need not be paid if, and so long as, the validity thereof shall currently be contested by appropriate proceedings. In case of Railroad's failure so to do, the Authority, upon written notice to Railroad, may pay such taxes, fees, assessments or other governmental charges or levies and the amount so paid by the Authority, with interest thereon at the rate of 10% per annum from the time of such payment by the Authority, shall forthwith be due and payable from Railroad to the Authority.

(d) This Equipment Lease is a net lease. Except as may be otherwise provided from time to time in a Service Agreement, and except as otherwise specifically provided in

this Equipment Lease, all expenses and costs attributable to the use, maintenance, repairs, possession, or operation of the Equipment and all expenses of the Authority in enforcing this Equipment Lease with respect to an Event of Default, subsequent to such Event of Default, shall be paid by Railroad.

8. Termination for Cessation of Use. In the event Railroad shall for any reason whatsoever cease to operate its Commuter Service, or in the event its Commuter Service is sold or otherwise disposed of (other than by a transfer of substantially all of the assets of its Commuter Service to the Authority or a wholly-owned subsidiary of Railroad or by a merger, consolidation, exchange or sale of stock or sale of assets to a successor corporation approved by the Interstate Commerce Commission), each Unit shall be returned to the Authority and this Equipment Lease shall terminate. In the event any Unit (other than a Unit which is replaced pursuant to Section 13) ceases to be used for any reason by Railroad in providing Commuter Service, each such Unit shall be returned to the Authority and this Equipment Lease shall terminate with respect to such Unit.

9. Maintenance. Commencing with the delivery of each Unit to Railroad, Railroad will, at its own cost and expense (except for parts or repairs the cost of which is reimbursed under manufacturer's warranties, if any), cause every Unit to be maintained and repaired at all times during the Lease Term in accordance with manufacturer's maintenance manuals, as supplemented or modified from time to time in writing by the Authority; provided, however, that it is agreed that this sentence shall not be construed to require Railroad to provide the capital costs of a heavy rebuilding program made necessary by ordinary use of the Equipment. Railroad shall also cause all of the Equipment to be maintained and repaired (i) as provided in a Service Agreement, or (ii) when no Service Agreement is in effect, in good order and repair and in a condition satisfying all requirements of law.

10. Return of Equipment. (a) Railroad will, at the end of the Lease Term or at the earlier expiration or other termination of this Equipment Lease with respect to any or all Units, deliver such Units, in Cook County, Illinois, to the Authority, or its nominee, in good order and

repair, reasonable wear and tear excepted, free and clear of all liens, charges and encumbrances of whatever nature.

(b) If any such Unit is not then in such good order and repair, Railroad shall pay to the Authority, on demand, such sum or sums of money as shall be reasonably necessary to make the necessary and proper repairs, together with interest thereon from the date of such demand at the rate of 10% per annum.

11. Inspection. (a) The Authority shall have the right and privilege, at any time, from time to time or on a continuing basis, during Railroad's normal operating hours, to cause any Unit or part thereof to be inspected by any persons designated in writing from time to time by the Authority to Railroad. The Authority shall have the right to station one or more of its representatives on the premises of Railroad for the purposes of observing and inspecting all maintenance performed by Railroad on the Equipment, and of assuring compliance with Railroad's maintenance obligations under this Equipment Lease, provided Railroad shall have no obligation to provide an office or separate working space for

such representatives. The Authority shall have the further right to demand from time to time from Railroad, but with no more frequency than once in any 6-month period (unless more frequently requested by UMTA or IDOT), a written statement of the condition of each Unit. Upon receipt of any such demand, Railroad shall furnish such written statement of condition to the Authority within a reasonable time not to exceed thirty (30) days. Railroad will provide reasonable access to Railroad's maintenance and repair records, upon request, with respect to the Equipment.

(b) Except as otherwise provided in any Service Agreement, the Authority will indemnify and hold harmless Railroad from and against all claims or liabilities, including costs and legal fees, for injury (including death) to the person of any employee or agent of the Authority which occurs while such person is, under the authority of Section 11(a), on property owned by Railroad, other than within a commuter coach being operated by Railroad in Revenue Service, the office of the manager of Commuter Service, parking lots, or a place (including walkways, stairways, waiting rooms, concourses and platforms) being used at the time for board-

ing or alighting of revenue passengers, irrespective of any negligence or fault of Railroad, its officers, directors, employees, agents or servants, provided, however, that this Section 11(b) shall not apply to injury or death caused by willful and wanton negligence or by criminal acts of Railroad or its directors, officers, employees, agents or servants.

12. Indemnification. Except as otherwise provided in a Service Agreement and except to the extent the Authority, UMTA and IDOT are reimbursed by insurance or third parties, the Railroad will release fully and hold and keep the Authority, UMTA and IDOT, their respective Directors, agents and employees harmless and will indemnify them from any and all liability, including costs and legal fees, if any, and further including claims for damages on account of loss or damage of the property of, or loss, injury or death of or to the person of, members of the public, the agents, servants, employees, licensees, tenants, lessees and patrons of Railroad, in any manner attributable to or arising out of the ownership, operation or maintenance of the Equipment, regardless of whether caused in whole or in part by the negligence of the Authority, UMTA or IDOT, provided, how-

ever, that this provision shall not apply to liabilities proximately caused by acts of the Authority, UMTA or IDOT which constitute willfull and wanton negligence or criminal acts, and provided further, however, that this provision shall not apply with respect to liabilities caused by the Authority's use of property not owned or leased by Railroad and not in Railroad's possession or control.

13. Damage or Destruction and Insurance. (a)

In the event any Unit is damaged or destroyed from any cause whatever during the period commencing on the Delivery Date of a Unit and ending on the redelivery of such Unit to the Authority after termination or expiration of this Equipment Lease with respect to such Unit, Railroad shall:

(i) within 90 days after the destruction of a Unit, pay to the Authority an amount equal to the cost of reproduction new of a unit of equipment of like kind and quality, less normal wear and tear; or

(ii) within

- (A) 10 months for a locomotive, or
- (B) 18 months for a car, or
- (C) such greater period as the Authority may consent to in writing,

after destruction of a Unit, Railroad shall replace such Unit with another unit of substantially equal condition, size, capacity, value, material, character and construction, which replacement Unit shall thereupon become the property of the Authority and subject to the terms of this Equipment Lease; or

(iii) within 90 days, or such greater period as the Authority may consent to in writing, after damage to a Unit, repair such damage.

Within 30 days after damage to, or destruction of, a Unit, Railroad shall notify the Authority of its election whether to proceed under subparagraphs (A); (B) or (C), above, with respect to such Unit.

(b) Railroad shall provide insurance insuring, at all times during the Lease Term, the actual cash value

of each Unit against damage or destruction. Such insurance shall, except as otherwise agreed in writing from time to time by the parties hereto, have a deductible amount of \$50,000 and shall indemnify for all damage to the Equipment up to \$4,000,000 above such deductible amount for any single occurrence. As used in this paragraph, "actual cash value" means the cost of reproduction new of a unit of equipment of like kind or quality, less normal wear and tear. Railroad shall cause the Authority to be a named insured and such insurance shall be payable to Railroad and to the Authority as their interest may appear.

(c) In the event a Unit is damaged or destroyed, and any one or more third parties are liable to Railroad therefor, Railroad shall diligently prosecute its claim against such third party or parties and the Authority shall cooperate in prosecuting such claim.

14. Lease Term. The term of this Equipment Lease with respect to each Unit ("Lease Term") shall commence on the Delivery Date of such Unit and shall end on the date specified in the Lease Supplement with respect to such Unit.

15. Disposition At End of Term. Upon termination or expiration of this Equipment Lease as to any Unit, Railroad agrees to retain such Unit in its possession until it receives written instructions from the Authority as to the disposition of such Unit. Upon receipt of such written instructions, Railroad will promptly dispose of such Unit in accordance therewith. The Authority will provide written disposition instructions within 120 days after the expiration or termination of this Equipment Lease as to such Unit.

16. Default. (a) If, during the continuance of this Equipment Lease, one or more of the following events ("Events of Default") shall occur:

(i) Default shall be made in the payment of any payment to be made by Railroad hereunder and such default shall continue for 30 days after written notice from the Authority to Railroad of such default and demand that the same be remedied;
or

(ii) Railroad shall make or permit any unauthorized assignment or transfer of this Equip-

ment Lease or of possession of any of the Equipment 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 after written notice from the Authority to Railroad demanding such cancellation and recovery of possession; or

(iii) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of Railroad contained herein (provided, however, that a charge or assertion that Railroad is using the Equipment in violation of any federal, state, or municipal laws, ordinances or regulations, other than ordinances or regulations of the Authority, shall not create an Event of Default under this subparagraph 16(a)(iii) if, and only so long as, the validity, applicability or violation of such law, ordinance or regulation shall be currently contested by Railroad in good faith), and such default shall continue for 30 days

after written notice from the Authority to Railroad, specifying the default and demanding the same to be remedied;

then in any such case the Authority, at its option may exercise any or all of the following rights:

(i) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Railroad of this Equipment Lease or to recover compensatory damages for breach thereof; or

(ii) By notice in writing to Railroad, terminate this Equipment Lease, whereupon all right of Railroad to the use of the Equipment shall absolutely cease and terminate as though this Equipment Lease had never been made, but Railroad shall remain liable as hereinafter provided; and thereupon, as to a Unit or Units then located upon the premises of Railroad, regardless of any claim, defense, offset or other right of Railroad, Railroad shall, within 24 hours of such notice, deliver the

Unit or Units of Equipment to the Authority, and as to a Unit or Units located elsewhere than on the premises of Railroad, the Authority may by its agents lawfully enter upon such other premises where any of the Equipment may be located and take possession of all or any of such Equipment and, in either case, thenceforth hold, possess and enjoy the same free from any right of Railroad, or its successors or assigns, to use the Equipment for any purpose whatever, but the Authority shall, nevertheless, have a right to recover from Railroad any and all amounts which under the terms of this Equipment Lease may be then due or which may have accrued to the date of such termination; or

(iii) Pay any expenses or charges which Railroad is obligated to pay pursuant to this Equipment Lease which Railroad has failed timely to pay, which amounts shall thereupon be immediately due and payable by Railroad to the Authority.

(b) Railroad and the Authority recognize that in the event Railroad refuses to perform any of its obliga-

tions provided in Sections 3, 9, 10(a) or 23, money damages alone will not be adequate. The Authority shall therefore be entitled to elect, in addition to bringing suit for money damages, to bring an action for specific performance of the provisions of those Sections. In the event of any action to enforce the provisions of those Sections, Railroad shall waive the defense that money damages are an adequate remedy.

(c) The remedies in this Equipment Lease provided in favor of the Authority 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. Railroad 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.

(d) The failure or delay of the Authority to exercise the rights granted it hereunder upon any occurrence of any of the Events of Default set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such events or similar events.

17. Ownership Marking. Each Unit when delivered will be plainly marked, by an appropriate plaque or plate and in letters of contrasting color not less than one inch in height, the words "REGIONAL TRANSPORTATION AUTHORITY, OWNER AND LESSOR" or other words to such effect. Railroad will not allow the name or designation of any other person or company as owner to be placed on any Unit. If any of such markings become illegible, Railroad will immediately restore them. The Authority shall have the right at any time and at its expense to change the paint scheme and insignia of the Equipment, provided that if the Authority requests that Railroad perform the work to implement such change, it will provide reasonable notice to Railroad thereof.

18. Alterations. Upon instructions from the Authority, on reasonable notice to Railroad, and at the Authority's expense, Railroad will make such alterations to the Equipment as the Authority may deem necessary or desirable provided any such alteration shall not cause the Equipment or the operation thereof to violate any applicable state, federal or local statute or regulation. Any alterations so made or parts or equipment installed upon or

in the Equipment pursuant to other provisions of this Equipment Lease shall be considered accessions to the Equipment and title thereto shall immediately vest in the Authority. Railroad shall make no alterations to the Equipment except as permitted by this Section, by other Sections of this Equipment Lease, or by written consent of the Authority.

19. Reports. Railroad shall promptly notify the Authority of all correspondence, papers, notices, accident reports and documents whatsoever, received by Railroad and asserting any claim or demand involving or relating to title to, or liens upon, the Equipment. Railroad will notify the Authority, and the Authority will notify Railroad, of any claim of injury or property damage involving the Equipment during the term of this Equipment Lease received by or served upon it.

20. Warranty Disclaimer. THE AUTHORITY, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT. THE AUTHORITY DISCLAIMS ALL WARRANTIES, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY

PARTICULAR PURPOSE, THE DESIGN OR CONDITION OF THE EQUIPMENT, THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE WORKMANSHIP IN THE EQUIPMENT, COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO, PATENT INFRINGEMENT, LATENT DEFECTS, AND TITLE. The Authority and Railroad shall cooperate for the purpose of obtaining the full benefit of any manufacturer's warranties with respect to the Equipment.

21. Successors. All of the provisions of this Equipment Lease shall apply to and bind the successors of the respective parties hereto. In the event there is a transfer of substantially all of Railroad's property used and useful in the performance of Railroad's Commuter Service to a wholly-owned subsidiary of Railroad, or said property, including this Equipment Lease, is the subject of a merger, consolidation, exchange or sale of stock or sale of assets to a successor corporation approved by the Interstate Commerce Commission ("ICC"), the rights and obligations of Railroad herein set forth shall become the rights and obligations of the successor. In the event of the commencement of any ICC proceedings with respect to any

such merger, consolidation, exchange or sale of stock or sale of assets, Railroad will provide written notice of such ICC proceedings, on or prior to the date of commencement of such proceedings, to the Authority, and will furnish the Authority on request with copies of all applications and other filings made in such proceedings at the time of the filing thereof or as soon as practicable thereafter.

22. Opinion of Counsel. When this Equipment Lease is executed by Railroad, Railroad will furnish the Authority with an opinion of Railroad's counsel, dated the date on which this Equipment Lease is executed by Railroad and to the effect that (i) Railroad is duly incorporated and in good standing in the State Wisconsin, and has full power to carry on its business as and where then conducted; (ii) the execution, delivery and performance of this Equipment Lease by Railroad has been duly authorized by all requisite action of Railroad, and this Equipment Lease is the valid, legally binding obligation of Railroad, enforceable in accordance with its terms except as enforcement hereof may be limited by bankruptcy laws or other laws respecting enforcement of creditors' rights generally, and except no opinion need be

expressed as to availability of specific performance as a remedy; (iii) this Equipment Lease has been duly executed and delivered by Railroad in accordance with its terms; (iv) the compliance by Railroad with the terms and conditions of this Equipment Lease will not result in breach of, or default under, any judgment, decree, mortgage, indenture or other agreement applicable to Railroad known to such counsel; (v) all governmental approvals or consents as may be required to permit the performance by Railroad of its obligations under this Equipment Lease have been obtained; and (vi) except as previously disclosed to the Authority in writing and except as disclosed in (i) the Form 10-K annual report of Chicago, Milwaukee Corporation for the year ended December 31, 1976, (ii) Form 10-Q quarterly reports of the Railroad for the periods ended March 31, 1977, June 30, 1977 and September 30, 1977, (iii) the Form 8-K reports of the Railroad dated February 7, 1977, March 7, 1977, July 25, 1977, August 2, 1977, and November 1, 1977, copies whereof have been furnished by Railroad to counsel for the Authority, such counsel has no knowledge of any litigation or proceeding pending or threatened against Railroad which

could materially and adversely affect the performance by it of any of its obligations under this Equipment Lease.

23. Further Assurances. Railroad hereby covenants that it will at all times during the term of this Equipment Lease, on reasonable request, make, do, execute and deliver all such further or other reasonable assurances, acts, instruments and agreements as shall be necessary or deemed appropriate by the Authority to protect the ownership and control of the Equipment or any Unit or part thereof, for the benefit of the Authority.

24. Disclaimer of Liability. Neither the Chairman of the Board of Directors of the Authority nor any of the individual Directors or employees or agents thereof shall be personally liable to the Railroad in any way by reason of any clause of this Equipment Lease.

25. Equipment Transfer. The Authority reserves the right to terminate this Equipment Lease as to any Unit ("Transfer Unit") or Units which the Authority judges to be essential to Commuter Service operations of another Transportation Agency, provided, however, that the Authority

shall not terminate this Equipment Lease pursuant to this Section if the Transfer Unit or Units is or are essential (having regard to the Equipment and any other equipment which Railroad owns or has the right to use) to the operation of the Commuter Service of Railroad (i) in accordance with any Service Agreement then in effect, or (ii) if no Service Agreement is in effect, in accordance with law.

26. Representations to Illinois Commerce Commission. Nothing in this Equipment Lease is intended to prohibit or discourage either Railroad or the Authority from appearing before the Illinois Commerce Commission or any other government agency for the purpose of presenting their respective views regarding the requirements of public convenience and necessity as related to the use of the Equipment or as related to any other aspect of Railroad's Commuter Service.

27. UMTA/IDOT Audit. Railroad shall permit the authorized representatives of the Authority, UMTA, IDOT and/or the Comptroller General of the United States to inspect and audit all data and records of Railroad relating

to the performance of this Equipment Lease at no cost to the Authority.

28. Civil Rights. Railroad agrees that it will, with respect to its operations involving the Equipment, comply with the provisions of Title VI of the United States Civil Rights Act of 1964 (P.L. 88-352, 78 Stat. 252, 42 U.S.C. §§2000d-4 et seq.), as the same may at any time be amended, and with the provisions of the Illinois Fair Employment Practices Act (Ill. Rev. Stat. 1976, ch. 48, §§851-867), as the same may at any time be amended, and with the provisions of any other similar law at any time in effect during the term of this Equipment Lease, and with regulations from time to time promulgated thereunder. Railroad warrants that it has on file with the Fair Employment Practices Commission an affirmative action program for employment with respect to its Commuter Service employees, which program insures that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, national origin, or ancestry. No discrimination in any employment by Railroad shall be made in any term or aspect of employment be-

cause of race, religion, national origin, sex or political reasons or factors.

29. Prohibited Interests. Railroad warrants and represents that it has not paid, and agrees not to pay, any bonus, commission, fee or gratuity to any employee or official of the Authority for the purpose of obtaining this Equipment Lease. No Director, official, officer or employee of the Authority, during his tenure or for one year thereafter, shall have any pecuniary interest, direct or indirect, in this Equipment Lease or the proceeds thereof. No member of or delegate to the Congress of the United States or the Illinois General Assembly shall be admitted to any share or part of this contract or to any benefit arising therefrom.

30. Governing Law. This Equipment Lease shall be construed in accordance with and be governed by the laws of the State of Illinois.

31. Notices. Any notice required or permitted by this Equipment Lease shall be in writing and may be either delivered in person to the Director of Transportation of the Authority or delivered by depositing the same in the United States Mail, postage prepaid, addressed to the Authority at:

REGIONAL TRANSPORTATION AUTHORITY
Post Office Box 3858
Chicago, Illinois 60654

and to Railroad at:

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD COMPANY
Union Station
516 West Jackson Boulevard
Suite 888
Chicago, Illinois 60606
Attention: R. K. Merrill

or at such other address as either party may designate to the other in writing. Any such notice shall be effective upon receipt, if delivered in person, or upon 2 days after mailing in accordance herewith, if mailed.

32. Assignment. Except as permitted by Section 21 hereof, Railroad agrees that this Equipment Lease shall not be assigned or transferred without the prior written consent of the Authority. Railroad agrees that any successor to Railroad's rights under this Equipment Lease will be required to accede to all of the terms, conditions and requirements of this Equipment Lease as a condition precedent to such succession. Any purported assignment or transfer of

this Equipment Lease or Railroad's rights under this Equipment Lease in contravention of this Section shall be void and of no effect.

33. Amendments. The parties agree that no change of or modification to this Equipment Lease shall be of any force or effect unless such change or modification is embodied in an amendment which is dated and is reduced to a writing executed by both parties and approved by the Board of Directors of the Authority. No costs or obligations shall be incurred in consequence of any amendment to this Equipment Lease unless and until such a written amendment has been executed.

34. Severability. The parties agree that if any provision of this Equipment Lease shall be held invalid for any reason whatsoever, the remaining provisions shall not be affected thereby if such remaining provisions may continue to conform with the purposes of this Equipment Lease and the requirements of applicable law.

35. Headings. The headings of this Equipment Lease are for convenience and reference only and in no way

define, limit or describe the scope or intent of this Equipment Lease.

36. Counterparts. This Equipment Lease may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each party hereto has caused this Equipment Lease to be duly executed and delivered, in its name and on its behalf, on the date first hereinabove set forth.

REGIONAL TRANSPORTATION AUTHORITY

By: Milton Pikovsky

WITNESS:

Title: CHAIRMAN OF THE BOARD

[Signature]

CHICAGO, MILWAUKEE, ST. PAUL AND
PACIFIC RAILROAD COMPANY

By: [Signature]

ATTEST:

Title: _____

J. T. Raessig
Secretary

APPENDIX A

EQUIPMENT LEASE SUPPLEMENT NO. _____

This Equipment Lease Supplement No. _____ is entered into as of _____, 19____, by and between the REGIONAL TRANSPORTATION AUTHORITY ("Authority"), and CHICAGO, MILWAUKEE, ST. PAUL and PACIFIC RAILROAD COMPANY ("Railroad").

1. The purchase by the Authority of the Equipment described in this Equipment Lease Supplement has been funded in part by the Urban Mass Transportation Administration of the United States Department of Transportation ("UMTA") (Project IL-03-____), and by the Illinois Department of Transportation ("IDOT") (Project CAP-____-FED).

2. The Authority and Railroad have entered into an Equipment Lease Agreement dated _____, 1977 ("Equipment Lease Agreement"), which provides for the execution and delivery from time to time of Equipment Lease Supplements in the form hereof for the purpose of leasing railroad bi-level commuter cars and locomotives under the Equipment Lease Agreement as and when delivered by the Authority to Railroad in accordance with the terms thereof.

3. The Authority hereby delivers and leases to Railroad under the Equipment Lease Agreement, and Railroad hereby accepts and leases from the Authority under the Equipment Lease Agreement, on this date, the following described Units (the "Delivered Units"):

Manufacturer:

Description:

Specifications: RTA _____.

Lease Term:

Manufacturer's numbers:

RTA numbers:

Railroad numbers:

Funded by UMTA Project IL-03-00__ and IDOT Project CAP-__ -
____-FED.

4. Railroad hereby confirms to the Authority that, as between Railroad and the Authority, Railroad has accepted the Delivered Units for all purposes of this Equipment Lease Supplement and of the Equipment Lease Agreement. Railroad hereby certifies and acknowledges that each Delivered Unit (a) has been delivered to, and inspected by, Railroad, (b) is of a size, design, capacity and manufacture acceptable to Railroad for lease under this Equipment Lease Supplement and the Equipment Lease Agreement, (c) is suitable for Railroad's purposes, and (d) is in good working order, repair and condition.

5. All of the terms and provisions of the Equipment Lease Agreement are hereby incorporated by reference in this Equipment Lease Supplement to the same extent as if fully set forth herein.

IN WITNESS WHEREOF, the Authority and Railroad have caused this Equipment Lease Supplement to be duly executed as of the date and year first written above.

REGIONAL TRANSPORTATION AUTHORITY

By: _____

CHICAGO, MILWAUKEE, ST. PAUL AND
PACIFIC RAILROAD COMPANY

By: _____

ACKNOWLEDGEMENT

State of Illinois)
County of Cook) SS

On this 23 day of November, 1977,
before me personally appeared Milton Pikarsky,
(Name)

to me personally known, who being by me duly sworn, says
that he is the Chairman of the Board of the
(Title)

Regional Transportation Authority of the State of Illinois,
that such Authority has no seal, that the Equipment Lease
Agreement between Chicago, Milwaukee, St. Paul and Pacific
Railroad and the Regional Transportation Authority was
signed on behalf of said Authority by authority of its
Board of Directors, and he acknowledged that the execution
of the foregoing Equipment Lease Agreement was the free act
and deed of said Authority.

Lollie L. McKeon

(SEAL)

My commission expires January 1978

