

# BESSEMER AND LAKE ERIE RAILROAD COMPANY

600 GRANT STREET • P. O. BOX 536 • PITTSBURGH, PENNSYLVANIA 15230

OFFICE OF GENERAL COUNSEL  
AND SECRETARY

JOHN D. MORRISON  
WILLIAM C. LEIPER  
HANFORD O'HARA  
ROBERT N. GENTILE  
GARY J. MARINI  
DOROTHY A. DAVIS

13610

RECORDATION NO. .... Filed 1425

MAR 29 1982 - 2 55 PM

March 23, 1982

INTERSTATE COMMERCE COMMISSION

No.

2-0001000  
MAR 29 1982

Fee \$ 5.00

ICC Washington, D. C.

Ms. Agatha Mergenovich  
Secretary  
Interstate Commerce Commission  
12th Street & Constitution Avenue, N.W.  
Washington, D.C. 20423

Re: Filing and Recordation of Equipment Lease  
Between Gould Leasing Services, Inc. (Lessor)  
and Bessemer and Lake Erie Railroad Company  
(Lessee)

Dear Ms. Mergenovich:

In accordance with 49 CFR §1116, please find enclosed herewith for filing with and recordation by the Interstate Commerce Commission, along with the filing fee of \$50.00, the original and two (2) certified copies of an equipment lease dated May 1, 1980 by and between Gould Leasing Services, Inc. (Lessor) 10 Gould Center, Rolling Meadows, Illinois 60080 and the Bessemer and Lake Erie Railroad Company (Lessee) 600 Grant Street, P.O.Box 536, Pittsburgh, Pennsylvania 15230.

Under the enclosed lease, the Bessemer and Lake Erie Railroad Company agreed to lease two-hundred and seventy-five (275) 100-ton open top hopper cars from Gould Leasing Services, Inc. At the time of the execution of the lease, these cars were marked with the following identification numbers of the Bessemer and Lake Erie Railroad Company:

BLE 51020 to 51041, inclusive  
BLE 51043 to 51090, inclusive  
BLE 51092 to 51112, inclusive  
BLE 51114 to 51171, inclusive  
BLE 51173 to 51197, inclusive  
BLE 51199 to 51299, inclusive

Upon the Commission's receipt of the enclosed documents, I would kindly request that the original be returned to Attorney

Gary J. Marini, 600 Grant Street, P.O.Box 536, Pittsburgh,  
Pennsylvania 15230.

Thank you for your kind cooperation in the handling of  
this matter.

Very truly yours,



V. W. Kraetsch  
Vice President - Finance  
Bessemer and Lake Erie Railroad  
Company

VWK:mw

Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

3/29/82

OFFICE OF THE SECRETARY

**Gary J. Marini**  
**600 Grant Street**  
**P.O.Box 536**  
**Pittsburgh, Pennsylvania 15230**

Dear

**Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/29/82** at **2:55pm**, and assigned re-  
recording number(s).

13610

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

---

---

13610  
RECORDATION NO. .... Filed 1425

MAR 29 1982 -2 55 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of May 1, 1980

BETWEEN

GOULD LEASING SERVICES, INC.

LESSOR

AND

BESSEMER AND LAKE ERIE RAILROAD COMPANY

LESSEE

---

---

(Open Top Hoppers)  
(BLE Lease No. 80-1)

TABLE OF CONTENTS

<u>Section</u>	<u>Heading</u>	<u>Page</u>
	Parties.....	1
	Recitals.....	1
1.	Lease and Delivery of Equipment.....	1
1.1.	Intent to Lease and Hire.....	1
1.2.	Delivery and Inspection of Equipment.....	2
1.3.	Repair of Equipment.....	2
1.4.	Undelivered and Unrepairable Equipment.....	2
1.5.	Acceptance of Equipment.....	2
1.6.	Lessee's Satisfaction with Equipment.....	3
1.7.	Disputes.....	3
2.	Rentals and Payment Dates.....	3
2.1.	Rent for Equipment.....	3
2.2.	Rental Payment Dates.....	4
2.3.	Place of Rent Payment.....	4
2.4.	Net Lease.....	5
3.	Term of the Lease.....	6
4.	Ownership and Marking of Equipment.....	6
4.1.	Retention of Title.....	6
4.2.	Duty to Number and Mark Equipment.....	6
4.3.	Prohibition Against Certain Designations....	7
5.	Disclaimer of Warranties.....	7
6.	Lessee's Indemnity.....	8
6.1.	Scope of Indemnity.....	8
6.2.	Continuation of Indemnities and Assumptions.....	9
6.3.	Incomes Taxes.....	9
7.	Rules, Laws and Regulations.....	14
8.	Use, Maintenance and Improvement of Equipment....	14
8.1.	Use and Maintenance.....	14
8.2.	Improvement.....	14

<u>Section</u>	<u>Heading</u>	<u>Page</u>
9.	Liens on the Equipment.....	15
10.	Filing, Payment of State and Local Taxes.....	15
	10.1 Filing.....	15
	10.2 Payment of State and Local Taxes.....	16
11.	Insurance; Payment for Casualty Occurrence.....	17
	11.1 Insurance.....	17
	11.2 Duty of Lessee to Notify Lessor.....	19
	11.3 Sum Payable for Casualty Loss.....	19
	11.4 Rent Termination.....	20
	11.5 Disposition of Equipment.....	20
	11.6 Casualty Value.....	20
	11.7 Risk of Loss.....	20
	11.8 Eminent Domain.....	21
12.	Annual Reports.....	21
	12.1 Duty of Lessee to Furnish.....	21
	12.2 Lessor's Inspection Rights.....	22
13.	Return of Equipment Upon Expiration of Term.....	22
	13.1 Return Upon Expiration of Term.....	22
	13.2 Specific Performance.....	23
14.	Default.....	24
	14.1 Events of Default.....	24
	14.2 Remedies.....	25
	14.3 Cumulative Remedies.....	26
	14.4 Failure to Exercise Rights.....	26
	14.5 Notice of Event of Default.....	26
15.	Return of Equipment Upon Default.....	27
	15.1 Lessee's Duty to Return.....	27
	15.2 Specific Performance.....	29
	15.3 Lessor Appointed Lessee's Agent.....	29
16.	Assignments by Lessor.....	29

<u>Section</u>	<u>Heading</u>	<u>Page</u>
17.	Assignments by Lessee; Use and Possession.....	30
17.1	Lessee's Rights to the Equipment.....	30
17.2	Use and Possession on Lines Other Than Lessee's Own; Sublease.....	30
17.3	Merger, Consolidation or Acquisition of Lessee.....	31
18.	Duty of First Offer and Renewal Right.....	32
18.1	Duty of First Offer.....	32
18.2	Renewal Options.....	33
18.3	Definitions, Appraisal.....	33
18.4	Delivery of Equipment.....	34
19.	Interest on Overdue Payments.....	34
20.	Warranties and Representations.....	34
20.1	Warranties and Representations of Lessor.....	34
20.2	Warranties and Representations of Lessee.....	36
21.	Miscellaneous.....	37
21.1	Notice and Payments.....	37
21.2	Right of Lessor to Perform.....	38
21.3	No Broker, Agent, etc.....	38
21.4	Execution in Counterparts.....	38
21.5	Law Governing.....	39
21.6	Headings and Table of Contents.....	39
21.7	Severability.....	39
21.8	Survival.....	39
21.9	Definition.....	39
	Signature Page.....	39
	Acknowledgments.....	40-41

ATTACHMENTS TO EQUIPMENT LEASE:

Schedule A - Description of Items of Equipment

Schedule B - Interchange Points

Schedule C - Form of Inspection Report

Schedule D - Casualty Values

## EQUIPMENT LEASE

THIS EQUIPMENT LEASE ("this Lease" or "Equipment Lease") dated as of May 1, 1980, between GOULD LEASING SERVICES, INC., a Delaware corporation (the "Lessor"), and BESSEMER AND LAKE ERIE RAILROAD COMPANY, a Pennsylvania corporation (the "Lessee").

### R E C I T A L S

A. The Lessor is the owner of the railroad equipment described on Schedule A hereto (collectively the "Items" or the "Equipment" and individually an "Item" or "Item of Equipment"). Lessor wishes to lease the Equipment to Lessee on the terms and conditions hereinafter set forth.

B. The Lessee is a common carrier by railroad and wishes to lease the Equipment from the Lessor on the terms and conditions hereof.

C. Pursuant to a Participation Agreement dated as of January 15, 1979 (the "Participation Agreement") with Mercantile-Safe Deposit and Trust Company, as security trustee (the "Security Trustee"), William M. Gibbons as Trustee of the Property of the Rock Island and Pacific Railroad Company ("Trustee"), and the institutional investors named in Schedule 2 thereto (the "Note Purchasers"), the Items subject to this Lease were subject to an Equipment Lease (the "Prior Lease") dated as of January 15, 1979 between Lessor and the Trustee. The Prior Lease has been terminated pursuant to a Termination Agreement (the "Termination Agreement") between Lessor and the Trustee dated as of May 21, 1980.

D. Also pursuant to the Participation Agreement, \$5,793,225.50 in original principal amount of non-recourse Secured Notes (the "Notes") were issued to the Note Purchasers which Notes were secured by a security interest in Lessor's right, title and interest in the Prior Lease and the Equipment and will continue to be secured by a security interest in the Equipment and this Lease.

### SECTION 1. LEASE AND DELIVERY OF EQUIPMENT

1.1 Intent to Lease and Hire. Upon Lessee's acceptance of an Item of Equipment in the manner hereinafter provided, the Lessor shall lease and let such Item of Equipment to the Lessee for the rental and on and subject to the terms and conditions herein set forth.

1.2 Delivery and Inspection of Equipment. In furtherance of the termination of the Prior Lease, the Lessee shall cooperate with the Lessor in seeking car service orders from the Interstate Commerce Commission ("ICC") or the Association of American Railroads ("AAR") that direct all carriers in possession of any of the Items to return the Items, after their loads are emptied, to one of the interchange points with the Elgin, Joliet and Eastern Railway Company ("EJ&E") described on Schedule B hereto (the "Interchange Points"). When the Items are received at the Interchange Points, the Lessee agrees to make or cause the making of normal and adequate inspection to provide, among other things, for attachment of foreign line defect cars, if appropriate. At the time of such inspection, Lessee will prepare an inspection report substantially in the form of Schedule C attached hereto (the "Inspection Report") for each Item. Not less often than weekly, Lessee will notify Lessor of all Items which have been received at an Interchange Point since the time of Lessee's last previous notice and of the results of said inspection. Items which Lessee believes are damaged and not acceptable for interchange (herein "Damaged Items") shall be marshalled and stored on holding tracks, and Lessee will periodically notify (or cause notification to be made to) Lessor that the Damaged Items are available for joint inspection. The joint inspection will be made by the Trustee, the Lessor and the Lessee, utilizing the Inspection Report, and they shall determine what repairs ("Damaged Repairs") are necessary to restore the Damaged Items to an undamaged condition suitable for interchange under AAR Interchange Rules and applicable federal freight car safety standards.

1.3 Repair of Equipment. In the event that any Item received at an Interchange Point for Lease hereunder requires Damage Repairs, other than an Item excluded pursuant to section 1.4 hereof, Lessee shall make or cause such repairs to be made. The expense of, and time required for, such Damage Repairs to each Item shall be in such amount as is agreed to, by Lessor and Lessee and set forth in the Inspection Report for such Item, and such expense shall be for Lessor's account. Lessee shall issue or cause to be issued an invoice covering the cost of the Damage Repairs for the Damaged Items and Lessor shall pay said invoice within thirty days from the receipt thereof.

1.4 Undelivered and Unrepairable Equipment. In the event that any Item (i) is not received at an Interchange Point for lease hereunder prior to January 1, 1981, or (ii) is reported lost or destroyed by the Trustee, or (iii) is received at an Interchange Point in such severely damaged condition that Lessor and Lessee agree that repair of such Item is not practicable, then such Item shall be deleted from Schedule A hereto and shall no longer be an Item to be accepted for lease hereunder.

1.5 Acceptance of Equipment. Each Item received by Lessee at an Interchange Point, other than Items excluded pursuant to Section 1.4 hereof, as evidenced by Lessee's execution and delivery

of an Inspection Report for same will be deemed irrevocably accepted by Lessee for all purposes of this Lease on the date (the "Acceptance Date") determined as follows:

(a) Each Item which is not a Damaged Item will be deemed accepted on May 22, 1980 or the date on which it is received at an Interchange Point, whichever is later.

(b) Each Damaged Item requiring Damage Repairs in order to comply with applicable federal freight car safety standards ("Safety Act Repairs") which must be performed on the EJ&E will be deemed accepted on the date which occurs after such number of days as is estimated to be required for such repairs after the earlier of (i) the date on which the Trustee has inspected the Item (provided that Lessee and Lessor concur in the results of such inspection), or (ii) the date on which the Trustee's right to inspect the Item terminates (provided that Lessor has previously notified Lessee of such date, and Lessor and Lessee concur in the results of any inspection without the Trustee.

(c) Each Item which is received requiring Damage Repairs which are not Safety Act Repairs and are not performed on the EJ&E will be deemed accepted on the date which occurs three days after the acceptance date for such Item determined as provided in paragraph (b) above.

1.6 Lessee's Satisfaction With Equipment. Except as provided in Section 1.4 above, the Lessee's execution and delivery of an Inspection Report with respect to each Item of Equipment pursuant to Section 1.2 hereof shall establish that, subject to the making of any Damage Repairs described in the Inspection Report such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, and that such Item of Equipment is, except as indicated in such Inspection Report, in good order and condition.

1.7 Disputes. All disputes between the Lessor and the Lessee regarding the condition of the Items upon receipt at an Interchange Point for Lease hereunder and the expense of, and time required for, Damage Repairs shall be resolved by an arbitrator that is acceptable to both parties.

## SECTION 2. RENTALS AND PAYMENT DATES.

2.1 Rent for Equipment. The Lessee agrees to pay the Lessor the following rent in advance for each Item of Equipment accepted under this Lease:

(a) Interim Rental. For each Item of Equipment, \$9.18 per calendar day (the "Interim Rental") for the period, if any, from the date following the Acceptance Date for such Item to,

but not including, the next succeeding semi-annual date for payment of Fixed Rental as set forth in Section 2.2(b) hereof.

(b) Fixed Rental. For each Item of Equipment, semi-annual installments of fixed rental (the "Fixed Rental"), (i) in the amount of \$1,675.00 to and including July 1, 1994, (ii) in the amount of \$690.00 commencing January 1, 1995 to and including July 1, 2001, and (iii) if applicable thereafter in the amount determined under Section 18 hereof.

## 2.2 Rental Payment Dates.

(a) The Interim Rental for each Item shall be payable on the fifth business day of the month next following the month in which the Acceptance Date for such Item occurs.

(b) The first installment of Fixed Rental for each Item of Equipment shall be due and payable on July 1, 1980 (the "Term Lease Commencement Date") and the balance of said installments shall be payable on each January 1 and July 1 thereafter with the final such installment payable July 1, 2001, subject to renewal as provided in Section 18 hereof; provided, however, that in the event of any Item with an Acceptance Date after June 30, 1980 and before January 1, 1981, the first installment of Fixed Rental with respect to such Item shall be due and payable on January 1, 1981 and any Item with an Acceptance Date after January 1, 1981 and before June 30, 1981 shall be due and payable July 1, 1981. If any rent payment date is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in either the States of Illinois, Maryland or Pennsylvania are authorized or required to close.

2.3. Place of Rent Payment. The Lessor instructs the Lessee to make all payments due hereunder as follows:

(a) Each installment of Interim Rental or Fixed Rental shall be paid to the account of the Lessor by bank wire transfer (identifying the same as payment of Interim Rental or Fixed Rental, as the case may be, relating to BLE Lease No. 80-1) to the address provided for payments in Section 21.1 hereof; provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by wire transfer to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event such notice shall direct the Lessee to divide such installment into not more than two portions and to pay each portion by wire transfer separately to not more than two parties, the Lessee agrees to do so; provided that Lessee shall be under no obligation to see to the application of such payments as between the parties inter se.

(b) The entire amount of any payment of Casualty Value pursuant to Section 11 hereof shall be paid to the Lessor by a check drawn on a bank located in the continental United States (identifying the same as a payment of Casualty Value relating to BLE Lease No. 80-1) and forwarded to the Lessor in the manner provided for payments in Section 21.1 hereof provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such Casualty Value shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such check in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(c) The Amount of any payment owing to the Lessor pursuant to Section 6, 10.2 or 11.1 (with respect to public liability insurance) hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease or the payments due hereunder pursuant to Section 16 hereof;

(d) The amount of any interest due in respect of the late payment of amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(e) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or the Security Trustee, in which case the Lessee shall reimburse the Lessor or the Security Trustee, as the case may be, directly for such payment.

The Lessee agrees that it will make payments due hereunder by wire transfer where specified above at 12:00 noon on the due date of such payment in federal or otherwise immediately available funds to the party to whom such payment is to be made, and otherwise by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been provided in writing.

2.4 Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Interim Rental and Fixed Rental and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor except as otherwise expressly provided herein, shall

this Lease terminate, or the respective obligations of 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 or 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 or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof 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 Acceptance Date of such Item and, subject to the provisions of Sections 11, 14 and 18 hereof, shall terminate as to such Item on December 31, 2001.

### SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1 Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and 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 Schedule A hereto 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 Gould Leasing Services, Inc., as Owner, and Subject to a Security Interest 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 promptly replace any such names and word or words which may be removed, obliterated, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment except in accordance with a statement of new road numbers to be substituted therefor, which statement previously shall have been delivered to the Lessor and the Security Trustee 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 an Affiliated Company (hereinafter defined) on railroad equipment used by it or an Affiliated Company 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 THE LESSOR. LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (C) ANY OTHER MATTER WHATSOEVER (OTHER THAN AS SET FORTH IN THIS AGREEMENT), IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. 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 against the manufacturer hereof; provided, however, (i) that Lessee

shall in its sole discretion determine whether, in what manner and to what extent to exercise such claims and rights, (ii) any sums recovered by Lessee hereunder shall be first applied to the payments of such expenses (including, without limitation counsel and related costs and fees) incurred in the assertion of such claims and rights and the balance if any, shall be next applied to repair restoring each Item which was the subject of such claims and rights to its original condition, usual wear and tear excepted, with the balance, if any, to be split equally between Lessor and Lessee (iii) that if at any time an Event of Default shall have occurred and be continuing, 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 respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of 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 Item of 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 Item of Equipment.

#### SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor, any assignee thereof pursuant to Section 16 hereof (including, without limitation, the Security Trustee) and their respective successors and assigns (collectively the "Indemnitees") from and against:

(a) any and all loss or damage to any Item of the Equipment which shall occur after its receipt at an Interchange Point, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them arising after the receipt of each Item involved at an Interchange Point (i) relating to any Item or any part thereof, including, without limitation, the construction, purchase, delivery, rejection, acceptance, ownership, sale, leasing, storage or return of any Item or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or subject to Section 5 hereof, as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent, infringement, or (iv) as a result of claims for negligence or strict liability in tort.

The indemnities set forth in this Section 6.1 shall apply without regard to any negligence on the part of the Lessor or the Trustor provided Lessee shall not be required to indemnify the Indemnitees or any of them as a result of the intentional conduct or gross negligence of the Indemnitees or any of them. The Indemnitees and assumptions of liabilities set forth in this Section 6.1 do not guarantee a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

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 assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii) or (iv) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering or transporting of the Equipment as provided in Section 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. Income Taxes.

(a) This Lease is entered into based on the assumptions that the Lessor, as the owner of the Items, shall be entitled, for Federal, and to the extent affected thereby, state and local income tax purposes, to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (the "Code"), to an owner of property, including without limitation, the full investment credit allowed under section 38 and related sections of the Code in respect of the aggregate original purchase price of the Items (the "Investment Credit"), the maximum depreciation deduction with respect to the Items authorized under section 167 of the Code (the "Depreciation Deduction") and deductions with respect to interest payable on the Notes (the "Interest Deduction").

The Lessee agrees that neither it nor any corporation controlled by it, in control of it or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing and that the Lessee will cause the filing of such returns, take such actions and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof. The Lessee agrees to keep and make available for inspection and copying by the Lessor such records as will enable the Lessor to determine the extent to which it is entitled to the benefit of the Investment Credit, the Depreciation Deduction and the Interest Deduction with respect to the Items.

The Lessee represents and warrants that (i) the Lessee will not at any time during the term of the Lease use or fail to use any Item in such a way as to disqualify it as "section 38 property" within the meaning of section 48(a) of the Code; (ii) notwithstanding anything herein contained to the contrary, Lessee shall neither have any right to, nor shall it take, any action or omit to take any action inconsistent with this Lease being a "true" lease under the guidelines set forth in Rev. Proc. 75-21, 1975-1 C.B. 715, as modified by Rev. Proc. 79-48, 1979-39 I.R.B. 27, as to which the Internal Revenue Service will consider the Lessor as the owner of the Equipment and the transaction a valid lease; (iii) for Federal income tax purposes all amounts includible in the gross income of the Lessor with respect to the Items and all deductions allowable to the Lessor with respect to the Items will be treated as derived from or allowable to, sources within the United States; (iv) the Lessee will maintain sufficient records to verify use of the Items in the manner above provided, which records will be made available for inspection and copying by the Lessor within 30 days after receipt of a written demand therefor.

If by reason of the inaccuracy of any of the representations and warranties set forth in the preceding paragraph or the breach by the Lessee of any of its agreements hereunder or any act or omission of the Lessee inconsistent with the mutual assumptions as to the tax consequences to the Lessor described in the first paragraph of this Section 6.3 (unless such act or omission is required by the terms hereof), the Lessor shall lose, or shall not have, or shall lose the right to claim, or shall suffer a disallowance of or shall be required to recapture all or any portion of the Investment Credit, the Depreciation Deduction or the Interest Deduction with respect to all or part of any Item or if for Federal income tax purposes any item of income, loss or deduction (including the Depreciation Deduction and the Interest Deduction) with respect to any Item is treated as derived from, or allocable to, sources without the United States and, as a result of such treatment, the amount of foreign taxes paid by the Lessor which are allowable as a credit against its Federal income tax liability shall be less than the amount of such foreign taxes which would have been allowable to the Lessor if it had not participated in the transactions contemplated by this Lease (any such loss, disallowance, recapture or treatment being hereinafter called a "Loss"), then in any such case upon written notice from the Lessor, the Lessee shall pay to the Lessor on each rental payment date thereafter such sums which (after deduction of all taxes, fees and other charges required to be paid by the Lessor in respect of the receipt of such sums under the laws of the United States or any political subdivision thereof or any foreign taxing authority at the highest then applicable marginal tax rate), when taken together with the rental installments due on such dates hereunder which are to be distributed to the Lessor, will, in the reasonable opinion of the Lessor, maintain the Lessor's after-tax rate of return on and rate of recovery of investment and the annual net cash flows (computed on the

same assumptions as utilized by the Lessor in originally evaluating this transaction, except for the assumption that has resulted in such adjustment) in respect of such Item hereunder at the same level that would have been available if such Loss had not occurred, and the Lessee shall in addition forthwith pay to the Lessor an amount which (after the deduction of any additional taxes, fees and other charges required to be paid by the Lessor in respect of the receipt of such sums under the laws of the United States or any political subdivision thereof or any foreign taxing authority at the highest then applicable marginal tax rate), shall be equal to the amount of any interest, penalty or addition to tax which may be imposed in connection with such Loss. In the event that this lease is terminated, or that no further rents are payable, with respect to any Item prior to the time the Lessee is obligated to make payments to the Lessor as set forth in the preceding sentence, then upon written notice from the Lessor, the Lessee shall pay to the Lessor, in lieu of such payment or payments, on or before 30 days thereafter such lump sum (calculated in the same manner as set forth in the preceding sentence) as shall be necessary in the reasonable opinion of the Lessor to maintain the Lessor's after-tax rate of return on and rate of recovery of investment and the annual net cash flows (computed on the same assumptions as utilized by the Lessor in originally evaluating this transaction, except for the assumption that has resulted in such adjustment) in respect of such Item hereunder at the same level that would have been available if such Loss had not occurred.

(b) If for any reason whatsoever any amount of income with respect to any item of Equipment is required to be included in the Lessor's gross income for federal, state or local income tax purposes for any period prior to the expiration of the term of this Lease for such Item and Lessor did not expect to receive such amount in originally evaluating this Lease transaction and is not entitled to currently deduct such amount, the Lessee will pay Lessor on demand, (i) an amount which after adjustment for all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of any federal, state or local government or taxing authority in the United States, shall be equal to the sum of the additional federal, state or local income taxes payable by Lessor from time to time as a result thereof, plus (ii) the amount of any interest, penalties or additions to taxes payable as a result thereof; it being understood that the amount payable pursuant to this sentence shall not be due and payable by Lessee prior to the payment by Lessor of such additional federal, state or local income taxes. If Lessor realizes a tax benefit as a result of any such amount in respect of which Lessee is required to indemnify Lessor under this Section 6.3(b), Lessor shall, provided no Event of Default or event which with notice and/or passage of time would constitute an Event of Default hereunder shall have occurred and be continuing, pay Lessee an amount equal to such tax benefit) plus additional tax savings, if any, realized by Lessor as a result of the payment of such amount or the payment of

such tax savings) when, as, if, and to the extent realized; provided, however, such payment shall not be offset against any rental or other payments to be made by Lessee hereunder. The Lessor agrees to take all action necessary and appropriate to realize all tax benefits and savings available to it as a result of any such amount in respect of which the Lessee is required to indemnify the Lessor under this Section 6.3(b), of which the Lessor is aware.

(c) If any auditing agent of the Internal Revenue Service or other relevant taxing authority proposes or makes an adjustment which, if sustained, would result in a Loss or the inclusion in Lessor's income of the cost of any Improvement, repair or replace with respect to which the Lessee may be required to indemnify pursuant to the provisions of Section 6.3 hereof, Lessor hereby agrees (i) promptly to notify Lessee in writing of any such adjustment (which notice shall include all relevant information relating to such adjustment which may be particularly within the knowledge of or available to Lessor), (ii) to advise Lessee of all action taken or inability of the Lessor to realize tax benefits or savings contemplated by the last sentence of Section 6.3(b) hereof, Lessor hereby agrees (i) promptly to notify Lessee in writing of any such adjustment (which notice shall include all relevant information relating to such adjustment which may be particularly within the knowledge of Lessor), (ii) to advise Lessee of all action taken or proposed to be taken by Lessor, in respect of any such adjustment, (iii) not to enter into any settlement or agreement with the Internal Revenue Service or other relevant taxing authority with respect to any such adjustment, or to make any payment of the additional tax assessed as a result of any such adjustment for at least 45 days after the giving of such notice, and (iv) if (A) Lessee shall within 45 days after receipt of such notice request in writing that such adjustment be contested (which request is accompanied by an opinion of tax counsel selected by Lessee and satisfactory to Lessor to the effect that there exists a reasonable basis for contesting such adjustment), (B) Lessee agrees that the adjustment to be contested is one for which the Lessee is obligated to indemnify Lessor under this Section 6.3, and (C) Lessee agrees to pay on demand all reasonable out-of-pocket expenses incurred by Lessor in connection with contesting such adjustment (including, without limitation, reasonable attorneys' fees and disbursements), then Lessor shall take such action in connection with contesting any such adjustment (including such judicial proceedings and appeals from any lower court decisions) as Lessee shall reasonably request in writing from time to time; provided, however, that, in the case of any adjustment with respect to Federal income taxes, at any time after having received such initial request from Lessee, Lessor may, at its sole option, either pay the additional Federal income tax assessed as a result of such adjustment and sue for a refund in the appropriate United States District Court or the United States Court of Claims as Lessor shall elect or contest such proposed adjustment in the United States Tax Court, considering however, in good faith such request as Lessee

shall make concerning the most appropriate forum in which to proceed, and provided, further, that if Lessor agrees to waive indemnification under this Section 6.3, Lessor may refuse the Lessee's request that such adjustment be contested. If, preliminary to a suit for refund, Lessor pays the additional federal income tax assessed together with any related interest and penalties, the Lessee shall immediately reimburse Lessor in full. If the Lessee does not request Lessor to contest such adjustment or proposed adjustment within 45 days after Lessor has given the Lessee notice of such adjustment or if tax counsel does not render the written opinion described above within the prescribed period, the Lessee shall indemnify Lessor in the manner set forth in this Section 6.3.

Notwithstanding any of the foregoing provisions of this Section 6.3, in the event that any such adjustment is contested by Lessor in the United States Tax Court (whether or not at the request of Lessee under the circumstances described in the preceding paragraph), Lessee shall not be required to make any payment to Lessor pursuant to this Section 6.3 prior to 30 days after the date of a final adverse determination of such contested adjustment (including any court proceedings with respect thereto). Upon receipt by Lessor of a refund with or without interest of any tax paid by it in respect of which the Lessee has reimbursed Lessor as provided for in the preceding paragraph, such refund, including any interest received, shall be paid by Lessor to the Lessee.

(d) The Lessee shall not be required to make any payment pursuant to the foregoing provisions of this Section 6.3 in respect of any Loss which is the direct result of any one or more of the following causes:

(i) an event whereby Lessee is required or permitted by any of the terms of this Lease to pay, and thereupon pays in full, the Casualty Value or Fair Market Value;

(ii) any voluntary disposition or transfer of the Equipment prior to the occurrence of an Event of Default under the Lease or event which with notice and/or passage of time would constitute an Event of Default under the Lease and while the same is continuing;

(iii) the failure of the Lessor timely or properly to claim all or any portion of the Investment Credit, Depreciation Deduction or Interest Deduction for the appropriate year, or the failure of the Lessor timely or properly to make a necessary or appropriate election to secure the Investment Credit, Depreciation Deduction or Interest Deduction;

(iv) the failure of the Lessor to have sufficient taxable income or sufficient liability for tax to benefit from the Investment Credit, or Depreciation Deduction or Interest Deduction as applicable; or

(v) a change in law which is enacted after the delivery of an Item of Equipment pursuant to the Lease.

(e) All rights, privileges, indemnities and obligations contained in this Section 6.3 shall, subject to statutes and laws governing limitations of actions, survive the expiration or other termination of the Lease.

(f) With respect to the provisions of this Section 6.3, references to the "Lessor" shall mean and be deemed to include any member of an affiliated group, as defined in Section 1504 of the Code, which files a consolidated return for Federal income tax purposes with the Lessor.

#### SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) with respect to the use and maintenance of each Item of Equipment subject to this Lease.

#### SECTION 8. USE, MAINTENANCE AND IMPROVEMENT OF EQUIPMENT.

8.1 Use and Maintenance. 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 in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange.

8.2 Improvement. The Lessee shall make, at its own expense, any improvement, modification or addition ("Improvement") to the Equipment necessary in order to comply with the health, safety or environmental standards of any government or governmental authority having relevant jurisdiction. Lessee may make any Improvement that is readily removable without causing material damage to an Item of Equipment, will not impair the originally intended function or use of such Item of Equipment and is not subject to any contract or option for purchase or sale between Lessor and Lessee or

any member of the Lessee Group, as hereinafter defined, at a price other than its fair market value (Severable Improvement). For the purpose of this Section 8.2, the term Lessee Group shall mean the Lessee, a shareholder of the Lessee, or any person related to the Lessee within the meaning of Section 318 of the Code. In addition to the Improvements required to be made by Lessee under the foregoing provisions of this paragraph, the Lessee may make any Improvement which is not readily removable without causing material damage to the Equipment (Nonseverable Improvement). The Lessee agrees to maintain records of all Improvements made with respect to any Item of Equipment and to make such records available for inspection by Lessor. Within 90 days after each December 31 occurring during the term of this Lease, Lessee agrees to provide Lessor with a certificate describing all Improvements made during the previous year ended such December 31 to an Item of Equipment. Each Severable Improvement permitted under this Section 8.2 (including those which the Lessee is required to make under this Section 8.2 in order to comply with governmental health, safety or environmental standards) shall be and remain the property of Lessee and Lessee agrees that it will, prior to the return to Lessor of the Item of Equipment to which it is affixed, remove the same at its own expense, without causing material damage to such Item. Each Nonseverable Improvement permitted under this Section 8.2 shall become the property of Lessor and shall become a part of the Item of Equipment to which it is affixed.

#### 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 with respect to an Item of Equipment arising after its receipt at an Interchange Point which, if unpaid, might constitute or become a lien or a charge upon any Item of 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 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 or the security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee's obligations under this Section 9 shall, subject to statutes and laws governing limitations of actions, survive the termination of this Lease.

#### SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. FILING. The Lessee will, at its sole expense, cause this Lease to be duly filed, registered, recorded or deposited with the Interstate Commerce Commission in accordance with 49 USC Section

11303(a) and in such other places within or without the United States as the Lessor or the Security Trustee may reasonably request and will furnish the Lessor and the Security Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Security Trustee, for the purpose of protecting the Lessor's title to, or the Security Trustee's security interest in, or the Lessor's leasehold estate in, any Item of Equipment to the reasonable satisfaction of the Lessor's or the Security Trustee'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 and the Security Trustee proof of such filings and a certificate that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action.

10.2. Payment of State and Local Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchasers) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined. As used in this Section 10.2 "Impositions" shall mean the amount of any local, state, federal or foreign taxes, assessments or license fees and any charges, fines or penalties in connection therewith which are imposed on or measured by this Lease or the receipt of sums pursuant hereto or any sale, rental, use, payment, shipment, delivery or transfer of title in respect of the Equipment under the terms hereof or the Security Agreement, including Impositions in respect of the receipt of indemnification payments pursuant to this Lease or payments pursuant to this Section 10.2, but excluding all such amounts related solely to a sale of Equipment by the Lessor following return of Equipment by the Lessor pursuant to Section 13 hereof; provided that except with respect to indemnification payments hereunder or payments pursuant to this Section 10.2, Impositions shall not include as to each respective Indemnitee: (i) United States federal income tax liability and, to the extent that any respective Indemnitee receives credit therefor against its United States federal income tax liability, any foreign income tax of such Indemnitee, payable by any respective Indemnitee in consequence of the receipt of payments provided herein; and (ii) the aggregate of any such income and franchise taxes which would be payable to the state and city in which such Indemnitee has a principal place of or conducts business. The Lessee agrees to pay, on demand, any and all Impositions. The Lessee will also pay promptly all Impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the

earnings arising therefrom or upon any Indemnatee solely by reason of its interest with respect thereto and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnatee therein or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligations to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnatee, adversely affect the interest of any Indemnatee hereunder or under the Security Agreement. If any Impositions shall have been charged or levied against any Indemnatee directly and paid by such Indemnatee after such Indemnatee shall have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnatee on presentation of invoice therefor. Prior to making such payment, such Indemnatee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Lessee will either prepare and file such reports in such manner as to show as required the interests of each Indemnatee in such Items of Equipment or, if it shall not be permitted to file the same, it will notify each Indemnatee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnatee and deliver the same to each Indemnatee within a reasonable period prior to the date the same is to be filed.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration or termination of this Lease for any reason whatsoever, until all such Impositions are paid or reimbursed by the Lessee.

## SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

### 11.1 Insurance.

(a) The Lessee agrees that it will during the term of this Lease and during any return or storage period hereunder and at its own cost and expense maintain or cause to be maintained general public liability insurance ("Liability Insurance") to the same extent and in the manner as other members of the Lessee Group with respect

to the Equipment against damage because of bodily injury, including death, or damage to property of others, such insurance to afford protection to the limit of not less than \$100,000,000 in the aggregate in any single occurrence. Any such Liability Insurance may have deductible provisions (the "Deductible") to no greater extent than \$25,000,000 in the aggregate in any single occurrence; provided that in the event a loss involving Liability Insurance involves other members of the Lessee Group, the Deductible requirements hereof shall be deemed satisfied if Lessee's actual deductible shall be less than required hereunder.

(b) Lessee shall not be required to insure the Equipment against loss by fire, explosion or other risks as are customarily insured against by railroad companies ("Casualty Insurance"). However, if during the term of this Lease or during any return or storage period Lessee shall obtain Casualty Insurance with respect to any similar equipment owned or leased by it, then, but only then, Lessee shall comply with Sections 11.1(c) and (d), and provisions of this Lease relating to Casualty Insurance.

(c) In the event Section 11.1(b) becomes applicable:

(i) All such Casualty Insurance shall cover the interest of the Lessor, the Lessee and the Security Trustee in the Equipment and all such Liability Insurance shall protect the Lessor, the Lessee and the Security Trustee in respective risks arising out of the condition, maintenance, use, ownership and operation of the Equipment and shall provide that losses, if any, in respect to the Equipment shall be payable to the Lessee, and the Lessor as their respective interests may appear; provided, however, that upon receipt by the Lessee of notice of the assignment of this Lease and the rents and other sums payable hereunder pursuant to Section 16 hereof the Lessee shall cause the Casualty Insurance on the Equipment to provide that the losses, if any, shall be payable (except as provided below) to the Security Trustee under a standard mortgage loss payable clause satisfactory to the Lessor, the Lessee and the Security Trustee.

(ii) All policies of insurance maintained pursuant to this section shall provide that 30 days' prior written notice of cancellation shall be given to the Security Trustee and the Lessor and that such insurance as to the interest of the Lessor or the Security Trustee therein shall not be invalidated by any act or neglect of the Lessor or the Lessee or by any foreclosure or other remedial proceedings or notices thereof relating to the Equipment or any interest therein nor by any change in the title or ownership of the Equipment or any interest therein or with respect thereto or by the use or operation of the Equipment for purposes thereto or by the use or operation of the Equipment for purposes more hazardous than is permitted by such policy. No such policy shall require co-insurance. (iii) Losses covered by the Casualty Insurance, if any, shall be adjusted only

with the approval of the Lessee, the Lessor and the Security Trustee. (iv) All such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as provided in this Lease. (v) The Lessee shall further furnish the Lessor and the Security Trustee with certificates or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. (vi) All Liability Insurance required by this Section shall be obtained from insurance companies approved by the Lessor and the Security Trustee, which approval shall not be unreasonably withheld.

(d) In the event Section 11.1(b) becomes applicable:

(i) The proceeds of any Casualty Insurance received by the Lessor or the Security Trustee will be paid to the Lessee either (A) upon a written application signed by the Lessee for payment of, or to reimburse the Lessee for payment of, the costs of repairing, restoring, or replacing the Item of Equipment which has been lost, damaged or destroyed (which application shall be accompanied by satisfactory evidence of such cost and the completion of such repair, restoration or replacement) or (B) if this Lease is terminated with respect to such Item of Equipment because of the destruction thereof promptly upon payment by the Lessee of the Casualty Value; provided that, if the Lessee is at the time of the application in default in the payment of any other liability of the Lessee to the Lessor hereunder, such proceeds may be applied against such liability.

7-20 ✓  
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 reasonable opinion of the Lessee, irreparably damaged or beyond economic repair during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or title or use thereof shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period which exceeds the then remaining term of this Lease (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor, any assignee thereof pursuant to Section 16 hereof (including, without limitation, the Security Trustee) in regard thereto and shall pay the Casualty Value (as defined in Section 11.6 hereof) of such Item in accordance with the Terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its knowledge of a Casualty Occurrence with respect to any Item, shall pay to the Lessor the Interim or Fixed Rental installment due on such payment date for such Item plus any rentals or other sums due on or prior to such date

then remaining unpaid plus a sum equal to the Casualty Value of such Item as of the date of such payment.

11.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 hereof in respect of any Item of Equipment, the obligation to pay rent for such Item accruing subsequent to the Casualty Value payment 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 of Equipment having suffered a Casualty Occurrence as soon as it is reasonably and commercially able to do so for the fair market value thereof; provided (i) that Lessee may dispose of an Item of Equipment through sale or transfer to another member of the Lessee Group for fair market value as reasonably determined by Lessee to the reasonable satisfaction of Lessor and (ii) that Lessee's disposition of Items of Equipment for Lessor shall not create a fiduciary relationship between Lessor and Lessee except to the extent of Lessee's obligations hereunder. Any such disposition shall be on an "as is", "where is" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of, upon payment of the appropriate Casualty value, the Lessee may, so long as no Event of Default shall have occurred and be continuing thereunder, retain all amounts arising from such disposition plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence plus any requisition or condemnation awards up to the Casualty value attributable thereto and actually paid by the Lessee as herein provided and shall remit the excess, if any, to the Lessor. In disposing of such Item 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 of Equipment.

11.6. Casualty Value. The Casualty value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the sum of \$35,000 (being the fair market value of such Item of Equipment at the date of this Lease) as set forth in the Schedule of Casualty Value attached hereto as Schedule D opposite such date of payment.

11.7. Risk of Loss. The Lessee shall bear the risk of loss and, except as provided hereinabove in this Section 11, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the receipt of such Item at an Interchange Point and continuing until payment of the Casualty Value and all rental installments and other sums due on and

prior to the date of payment of such Casualty value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee, and the title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser or the salvager of such Item.

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 all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no event of Default, or event which with lapse of time or giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, 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. If at the end of the then current term of this Lease any Item of Equipment is then held by any governmental authority under the power of eminent domain or otherwise and this Lease shall not then be renewed pursuant to Section 18 hereof, from and after such date the Lessor shall be entitled to receive and retain all sums payable by such governmental authority as compensation for requisition or taking possession applicable to the period commencing with such termination.

## SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before April 1, 1981 and on each April 1 thereafter the Lessee will furnish to the Lessor, any assignee thereof pursuant to Section 16 hereof (including, without limitation, the Security Trustee) 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 12 months ending on such December 31 (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor or any such assignee 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 shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor, any assignee thereof pursuant to Section 16 hereof (including, without limitation, the Security Trustee and each of the Note purchasers) each shall have the right, at their respective sole cost and expense, by their respective authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

13.1. Return 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, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee as the Lessor may designate, provided such designation does not impede or interfere with Lessee's normal and customary operating practices, 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 45 days and transport the same at any time within such 45-day period to any reasonable place on any railroad lines operated by the Lessee or to any interchange Lessee maintains with a connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days' written notice to 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 or any property damaged or destroyed in connection therewith, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence, and Lessor agrees to indemnify and save Lessee harmless from any such liability.

Each Item of Equipment returned to the Lessor pursuant to this Section 13.1 shall (i) in the case of any Item not requiring Damage Repairs pursuant to Section 1.3 hereof, be in the same operating order, repair and condition as it was on the Item's Acceptance Date, ordinary wear and tear excepted, (ii) in the case of any Item requiring Damage Repairs pursuant to Section 1.3 hereof, be in the same operating order, repair and condition as it would have been had all Damage Repairs required for such Item been completed on the date such Item was received at an Interchange Point, ordinary wear and tear excepted, (iii) have attached or affixed thereto any part, addition or improvement title to which is vested in the Lessor pursuant to Section 7 or Section 8 hereof and have removed therefrom at the expense of the Lessee, any readily removable addition or

improvement title to which is vested in the Lessee pursuant to Section 8 hereof, and (iv) meet the applicable standards then in effect for such Item of Equipment under all governmental laws, regulations, requirements and rules (including, without limitation, rules of the United States Department of Transportation, the Interstate Commerce Commission and interchange rules or supplements thereto of the Association of American Railroads). At any time within 90 days after the Lessor receives written notice from the Lessee of the return of all Items of Equipment, the Lessor may retain an independent inspector, selected by the Lessor at its sole cost and expense, to inspect the Equipment and to determine whether the Equipment has been subject only to ordinary wear and tear such as could be reasonably expected for cars customarily used in bulk commodity service and meets all the applicable standards required under clause (iv) of the immediately preceding sentence. Should such inspector determine that any Item of Equipment has been subject to excessive wear and tear due to any reason, or that any Item does not meet such applicable standards, the Lessee shall, at its own cost and expense, repair, recondition, rehabilitate, or perform such other similar work necessary to put the equipment in the condition that it would have been in had it been subject only to ordinary wear and tear and in compliance with all such applicable standards. The obligations of the Lessee pursuant to the immediately preceding sentence do not guarantee a residual value in the Equipment.

From the date of expiration of the term of this Lease until the earlier of (i) the date on which an Item of Equipment is assembled, delivered and stored as hereinabove provided or (ii) the 30th day thereafter the Lessee shall pay the Lessor for such Item an amount equal to \$3.79 per calendar day. If any such Item of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the date of the expiration of the term of this Lease, the Lessee shall, in addition, pay the Lessor for such Item an amount equal to the greater of (i) \$3.79 per calendar day from said 30th day to the date of its assembly, delivery or storage as hereinabove provided or (ii) all rental, per diem or other similar charges for such Item received therefor until such date of assembly, delivery and storage.

13.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as provided in Section 13.1 hereof 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 Lease so to 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 Casualty Value provided in Section 2 or 11 hereof and such default shall continue for five days;

(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;

(c) Default shall be made in the observance or performance of any of the covenants, conditions and agreements on the part of the Lessee contained in Section 11.1 of this Lease;

(d) Any representation or warranty made by the Lessee herein or in any statement or certificate furnished to the Lessor, the Security Trustee or any Note Purchaser pursuant to or in connection with this Lease is untrue in any material respect as of the date of issuance or making thereof;

(e) A petition for reorganization under the Bankruptcy Code, as now constituted or as said Bankruptcy Code may be hereafter amended, shall be filed by or against Lessee and 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 appointed in such proceedings or otherwise given a status comparable to the obligations incurred by such trustee or trustees within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

(f) Any other proceedings shall be commenced by or against Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder) and 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 or otherwise given a status comparable to obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall be assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; 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 or such assignee, as the case may be, 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 the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor, or such assignee, as the case may be, shall nevertheless have a right to 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 multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor or such assignee, as the case may be, in its sole discretion, shall specify: (x) a sum with respect to each Item of Equipment which represents the excess of the present worth at the time of such termination of all rentals for such Item 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 worth of the then Fair Rental Value of such Item for such period computed by discounting from the end of such term to the date of such termination, such present worth 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, or (y) an amount equal to the excess if any of the Casualty Value of such Item of Equipment as of the rental payment date on or immediately preceding the date of termination over the Fair Market Value thereof at such time; provided, however, that in the event the Lessor or such assignee, as the case may be, shall have sold any Item of Equipment, such party, in lieu of collecting any amounts payable thereto by the Lessee pursuant to the preceding

clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay such party and the Lessee shall pay to such party, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale and (ii) any damages and expenses in addition thereto, including reasonable attorneys' fees, which the Lessor or such assignee, as the case may be, shall have sustained by reason of the breach of any covenant or covenants of this Lease. For purposes of this Section 14.2, the Fair Rental Value and Fair Market Value for any Item of Equipment shall be determined in the manner provided for appraisal arrangements specified in Section 18.3 hereof; provided that any sale in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Market Value of such Item and any rental in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Rental Value of such Item.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor or any assignee pursuant to Section 16 hereof, as the case may be, 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 offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.4. Failure to Exercise Rights. The failure of the Lessor or any assignee, pursuant to Section 16 hereof as the case may be, 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. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor and any assignee thereof pursuant to Section 16 hereof (including, without limitation, the Security Trustee), promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition

and the nature and status thereof and indicating the intention or expectation of the Lessee as to the disposition thereof. For the purposes of this Section 14.5 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee) shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. 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; provided that, in the event the Lessor shall designate storage tracks which are then unavailable either because such tracks are then being used to store equipment owned by a third party pursuant to a contractual obligation of the Lessee to provide storage therefor or because the storage of the Items of Equipment on such tracks would materially impair the ability of the Lessee to meet its obligations to perform services as a common carrier to the public, then the Lessee agrees to so store the Items of Equipment upon such other storage tracks as shall then be so available and nearest to such storage tracks designated by the Lessor;

(b) Permit the Lessor to store such Equipment in such reasonable storage place on the Lessee's lines of railroad without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by the Lessor and during such period of storage Lessee shall continue to maintain all insurance required by Section 11.1 hereof; and

(c) Transport the Equipment to any place on the railroad lines operated by the Lessee or to any connecting carrier for shipment, all as the Lessor may direct in writing.

Each Item of Equipment returned to the Lessor pursuant to this Section 15 shall (i) in the case of any Item not requiring Damages Repairs pursuant to Section 1.3 hereof, be in the same operating order, repair and condition as it was on the Item's

Acceptance Date, ordinary wear and tear excepted, (ii) in the case of any Item requiring Damage Repairs pursuant to Section 1.3 hereof, be in the same operating order, repair and condition as it would have been had all Damage Repairs required for such Item been completed on the date such Item was received at an Interchange Point, ordinary wear and tear excepted, (iii) have attached or affixed thereto any part, addition or improvement title to which is vested in the Lessor pursuant to Section 7 or Section 8 hereof and have removed therefrom, at the expense of the Lessee, any readily removable addition or improvement title to which is vested in the Lessee pursuant to Section 8 hereof, and (iv) meet the applicable standards then in effect for such Item of Equipment under all governmental laws, regulations, requirements and rules (including, without limitation, rules of the United States Department of Transportation, the Interstate Commerce Commission and interchange rules or supplements thereto of the Association of American Railroads). At any time within 90 days after the Lessor receives written notice from the Lessee of the return of all Items of Equipment, the Lessor may retain an independent inspector, selected by the Lessor, to inspect the Equipment and to determine whether the Equipment has been subject only to ordinary wear and tear such as could be reasonably expected for cars customarily used in bulk commodity service and meets all the applicable standards required under clause (iv) of the immediately preceding sentence. Should such inspector determine that any Item of Equipment has been subject to excessive wear and tear due to any reason, or that any item does not meet such applicable standards, the Lessee shall, at its own cost and expense, repair, recondition, rehabilitate, or perform such other similar work necessary to put the Equipment in the condition that it would have been in had it been subject only to ordinary wear and tear and in compliance with all such applicable standards. The obligations of the Lessee pursuant to the immediately preceding sentence do not guarantee a residual value in the Equipment.

From the date of termination of this Lease pursuant to Section 14 hereof until the earlier of (i) the date on which an Item of Equipment is assembled, delivered and stored as hereinabove provided or (ii) the 30th day thereafter, the Lessee shall pay the Lessor for such Item an amount equal to \$9.18 per day for each calendar day on or prior to December 31, 1994 and \$3.79 per day for each calendar day thereafter. If any such Item of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the termination of this Lease pursuant to Section 14 hereof, the Lessee shall, in addition, pay the Lessor for such Item an amount equal to the greater of (i) \$9.18 per day for each calendar day on or prior to December 31, 1994 and \$3.79 per day for each calendar day thereafter from said 30th day to the date of its assembly, delivery or storage as hereinabove provided or (ii) all rental, per diem or other similar charges for such Item received therefor until such date of assembly, delivery and storage.

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 obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to the Lessor, to demand and take possession of such Items in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Items.

#### SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor, except upon written notice of such assignment from the Lessor. In the event of an assignment in part by Lessor to two or more assignees, Lessor's written notices of such assignments shall designate which of the assignees is entitled to exercise the Lessor's rights (excluding the right to receive rent hereunder (the "Primary Assignee"). Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall, subject to the provisions of Section 2.3 hereof be paid to or upon the written order of such assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such 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, setoff, counterclaim or recoupment whatsoever (excluding the failure of or defect in the Lessor's title) whether by any interruption from whatsoever cause 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 whenever 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 such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (ii) the Primary Assignee shall, if an Event of Default, or any event which with the lapse of

time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in his or its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor (except those rights, privileges and remedies relating to amounts payable to the Lessor pursuant to Sections 6, 10.2, 11.1 [with respect to Liability Insurance] and 21.2 hereof which shall remain enforceable by the Lessor), but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Primary Assignee and the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (iii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

#### SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION

17.1. Lessee's Rights to the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession, use and quiet enjoyment of the Equipment in accordance with the terms of this Lease. Except as set forth in Section 17.2 hereof Lessee shall not, without the prior written consent of the Lessor (or, in the event this Lease has been assigned to an assignee pursuant to Section 16 hereof, such assignee) 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, (or, in the event this Lease has been assigned to an assignee pursuant to Section 16 hereof, such assignee) 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 Section 17.2 hereof.

17.2. Use and Possession on Lines Other Than Lessee's Own; Sublease. So long as the Lessee shall not be in default under this Lease, the Lessee shall (a) 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 to Lessee's parent, or by any corporation, a majority of whose voting stock (i.e., stock having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by the Lessee or Lessee's parent (an "Affiliated Company"), or upon lines of railroad over which the Lessee or such Affiliated Company has trackage or

other operating rights or over which equipment of the Lessee is regularly operated pursuant to contract and also to permit the use of any Item of Equipment upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and subject to all the terms and conditions of this Lease, and (b) be entitled to sublease any or all of the Items of Equipment to an Affiliated Company without the consent of Lessor any assignee of Lessor and authorize such Affiliated Company to change the numbers and markings of such Items so subleased in accordance with Section 4 hereof; provided, however, that Lessee shall give Lessor written notice of any such sublease within 14 days of entering into such sublease together with a certificate that all filings or recordings necessary to protect the interest of the Lessor and any assignee of the Lessee pursuant to Section 16 hereof have been made. Notwithstanding the foregoing, the Lessee shall at no time throughout the term of this Lease assign or permit the assignment of any Item of Equipment to service (including, without limitation, the regular operation or maintenance thereof) outside the continental United States. The Lessee further agrees that, anything in this Section 17.2 to the contrary notwithstanding, the use of the Equipment outside the continental United States shall be de minimus. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of its liabilities 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 the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to (i) any corporation into or with which the Lessee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the lines of railroad of the Lessee, provided that such assignees, successors or transferees shall have duly assumed the obligations of the Lessee hereunder and that they will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provisions of this Lease and that such merger or consolidation or acquisition of properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a guarantor, or (ii) any railroad corporation now or hereafter organized under the laws of the United States or any state thereof which, at the time such assignment or transfer thereto shall become effective (A) qualifies as a Class I railroad or a Class III railroad with annual operating revenues of at least \$50,000,000 under the rules and regulations of the Interstate Commerce Commission, and (B) has outstanding at such time equipment obligations rated "A" (or the equivalent thereof) or better by Moody's Investors Service or Standard & Poor's Corporation or a successor thereto, which rating shall have been provided thereby during the year preceding such assignment or transfer either in

connection with a sale of equipment obligations or by a private letter; provided that the right of assignment and transfer set forth in this clause (ii) will not result in a default by the assuming or transferee railroad under any instrument or agreement to which it is a party.

SECTION 18. DUTY OF FIRST OFFER AND RENEWAL RIGHT.

18.1. Duty of First Offer. Provided no Event of Default or event which with notice and/or passage of time would constitute an Event of Default shall have occurred and be continuing hereunder, if Lessor shall decide to sell any Item of Equipment upon the expiration of the term of this Lease or any extension thereof, it shall furnish Lessee with written notice thereof within the period commencing 180 days prior to such expiration and ending 180 days following such expiration. Following receipt of such notice, the Lessee shall have the right to purchase all, but not less than all, of the Items of Equipment then subject to this Lease, for an amount equal to its Fair Market Value, as defined in Section 18.3 hereof. If Lessee intends to exercise its right pursuant to this Section, it shall provide Lessor with written notice of same within 60 days after receipt of Lessor's notice of its decision to sell the Equipment. Following such notice Lessor and Lessee agree to negotiate in good faith the Fair Market Value of the Equipment. If within 60 days after Lessor's receipt of Lessee's notice of its election to exercise its right to purchase, Lessor and Lessee are unable to agree upon the Fair Market Value of the Equipment, then such value shall be determined in accordance with the procedure for appraisal set forth in Section 18.3 hereof. During a period of 30 days after the date on which Fair Market Value is agreed upon or determined through the procedure for appraisal but not earlier than the expiration of the term of this Lease, the Lessee may purchase the Equipment at its Fair Market Value. If the Lessee does not furnish Lessor with notice of its intention to exercise its rights pursuant to this Section during the 30 day period provided above or if the Lessee does not purchase the Equipment during such 30 day period following determination of Fair Market Value, the Lessor shall be under no obligation to sell any Item of Equipment to the Lessee under this Section 18.1. In the event Lessee fails to purchase the Equipment following determination of Fair Market Value, Lessee shall pay any and all of Lessor's reasonable out-of-pocket expenses incurred in connection with such notice by Lessee of its intention to purchase the Equipment.

(b) In the event the Lessee purchases the Equipment, then, upon payment of the purchase price, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or to the Lessee's assignee(s) or nominee(s), a bill or bills of sale (without representations or warranties except that each Item of Equipment is free and clear of all liens by or in favor of any person claiming by,

through or under the Lessor or any security assignee of the Lessor other than liens resulting from claims which the Lessee has assumed or agreed to pay but in form and substance satisfactory to counsel for the acquiring entity) for the Equipment, and such other documents as may be required to release the Equipment from the terms and scope of this Lease and to transfer title thereto to the Lessee or such assignee(s) or nominee(s), in such form as may reasonably be requested by the Lessee or by such assignee(s) or nominee(s), all at the Lessee's or such assignee(s) or nominee(s) expense.

(c) Upon, but not before, determination of the Fair Market Value of the equipment, the foregoing rights to purchase the Equipment may be assigned in whole or in part by the Lessee to any affiliate of the Lessee or to any other corporation that may be a party to a tax-free exchange agreement with the Lessee or one of its affiliates.

18.2 Renewal Options. Provided that no Event of Default, or event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have the following renewal options:

The Lessee shall have the option to renew and extend this Lease as to all, but not less than all, of the Items of Equipment then leased hereunder for two additional renewal terms of two years, each upon and subject to the terms and conditions herein contained for the original term of this lease; provided that the Fixed Rental payable for and during any such renewal term shall be an amount equal to the Fair Rental Value (as defined in Section 18.3 hereof) of such Items of Equipment and that the Casualty Value payable for and during any such renewal term in respect of any Item of Equipment suffering a Casualty Occurrence during such term shall be an amount equal to the higher of (i) the Fair Market Value of such Item of Equipment as of the beginning of such renewal term, or (ii) \$7,000.00. Each renewal term shall commence immediately upon the expiration of the preceding term. The Lessee shall give the Lessor written notice of its intention to renew, which election shall be irrevocable (subject to a satisfactory determination of the amount of the rental to be payable as hereinbelow provided) 270 days prior to the commencement of any renewal term provided for in this Section 18.2. In the event it shall become necessary for an Appraiser to determine Fair Rental Value pursuant to Section 18.3 hereof, then the Lessee may revoke its election to renew by written notice to the Lessor given at any time on or prior to the tenth day following the giving of notice by the Appraiser of the determination of Fair Rental Value or the notification that agreement has not been reached by the independent appraisers selected by the Lessee and the Lessor and before selection of an appraiser by the American Arbitration Association.

18.3. Definitions, Appraisal. The Fair Rental Value or Fair Market Value, as the case may be, of the Items 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 or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If on or before (i) 60 days after Lessor's receipt of Lessee's notice of its election to purchase pursuant to Section 18.1 above or (ii) 210 days prior to the date of commencement of the renewal term elected by the Lessee pursuant to Section 18.2 above, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean any independent appraiser mutually agreed upon by the Lessor and the Lessee or if no such mutual agreement is reached within 15 days after the beginning of such appraisal period, two independent appraisers, one chosen by the Lessor and one chosen by the Lessee, or, if such appraisers cannot agree on the amount of such value within 60 days thereafter, an independent appraiser to be chosen by the American Arbitration Association promptly thereafter. 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 the Lessor and the Lessee, subject to Lessee's rights under Sections 18.1 and 18.2 hereof. The expenses and fees of the Appraiser shall be borne by the Lessee.

18.4. 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 18, 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 19. INTEREST ON OVERDUE PAYMENTS.

Anything to the contrary herein contained notwithstanding, any nonpayment of rent or other amounts due hereunder, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to 13% per annum (or the lawful rate, whichever is less) on the overdue amounts for the period of time during which they are overdue.

#### SECTION 20. WARRANTIES AND REPRESENTATIONS.

20.1. Warranties and Representations of the Lessor. The Lessor warrants and represents to the Lessee, the Security Trustee and each holder of the Notes that:

(a) Lessor's Organization and Authority; No Violation of Charter, By-laws, Indentures, etc. The Lessor (i) is a corporation, duly organized, legally existing and in good standing under the laws of the State of Delaware, (ii) has full right, power and authority to enter into and perform this Lease and the performance or observance by the Lessor of any of its obligations hereunder does not violate any provisions of any law, any order of any court or governmental agency in proceedings to which the Lessor is a party, the Certificate or Articles of Incorporation or By-laws of the Lessor, or any indenture, agreement or other instrument to which the Lessor or any affiliate is a party or by which it or any such affiliate or any of its property, may be bound, and will not be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) 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 Lessor other than Permitted Encumbrances (as hereinafter defined). This Lease has been duly authorized, executed and delivered by Lessor and constitutes a valid, legal and binding obligation of Lessor.

(b) Pending Litigation. There are no proceedings pending, or to the knowledge of the Lessor threatened, and to the knowledge of the Lessor there is no existing basis for any such proceedings, against or affecting the Lessor in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would materially and adversely affect the Equipment or the ability of the Lessor to enter into or perform its obligations under this Lease.

(c) Title to the Equipment. The Equipment is owned by Lessor and each Item of Equipment accepted under this Lease shall be free and clear of any liens or encumbrances which result from claims against the Lessor or any person claiming by, through or under Lessor other than Permitted Encumbrances, and the Lessor has not by affirmative act, operation of law or otherwise conveyed title to any Item of Equipment accepted under this Lease to any person or subjected such Equipment to any lien or encumbrance other than Permitted Encumbrances. For the purpose of this Section 20.1, the term Permitted Encumbrances shall mean (i) the security interest of the Security Trustee in the Equipment under the Security Agreement Trust Deed dated as of January 15, 1979 between the Lessor and the Security Trustee, as amended, (ii) the lien of current taxes and assessments not in default, or if delinquent, the validity of which is being contested in good faith and (iii) any claim, lien or encumbrance which Lessee is obligated to pay or discharge under the terms of this Lease or which is being contested in good faith by appropriate proceedings.

(d) No Defaults. To the knowledge of the Lessor, no Event of Default or event which with the passing of time or the giving of notice, or both, would constitute an Event of Default under the Security Agreement has occurred and is continuing.

(e) Governmental Consent. Except as provided in Section 20.1(f) below, neither the nature of the Equipment, nor any relationship between the Lessor and any other person, nor any circumstance in connection with the execution and delivery of this Lease is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority on the part of the Lessor in connection with the execution and delivery of this Lease.

(f) The federal district court presiding over the reorganization proceedings commenced by the Rock Island Railroad has approved the Termination Agreement between the Trustee and the Lessor which terminates the Prior Lease.

20.2. Warranties and Representations of the Lessee. The Lessee warrants and represents to the Lessor, the Security Trustee and each holder of the Notes that:

(a) Lessee's Organization and Authority; No Violation of Charter, By-laws, Indentures, etc. The Lessee (i) is a corporation, duly organized, legally existing and in good standing under the laws of the Commonwealth of Pennsylvania, (ii) has full right, power and authority to enter into and perform this Lease and the performance or observance by the Lessee of any of its obligations hereunder does not violate any provision of any law, any order of any court or governmental agency in proceedings to which the Lessor is a party, the Articles of Incorporation or By-laws of the Lessee, or any indenture, agreement or other instrument to which the Lessee or any affiliate of the Lessee is a party or by which it or any such affiliate, or any of its property, may be bound, and will not be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) 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 other than Permitted Encumbrances (as defined in the Participation Agreement). This Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding obligation of Lessee.

(b) Pending Litigation. There are no proceedings pending, or to the knowledge of the Lessee threatened, and to the knowledge of the Lessee there is no existing basis for any such proceedings, against or affecting the Lessee in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would materially and adversely affect the

Equipment or the ability of the Lessee to enter into or perform its obligations under this Lease.

(c) Governmental Consent. Neither the nature of the equipment, nor any relationship between the Lessor and any other person, nor any circumstance in connection with the execution and delivery of this Lease is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority on the part of the Lessee in connection with the execution and delivery of this Lease.

(d) Financial Statements. The Lessee has delivered to the Lessor a copy of its 1978 annual report to the Interstate Commerce Commission ("ICC") (the "Annual Report") together with the comparative statement of financial position and results of operation (the "1979 Statements") to be included in its 1979 annual report to the ICC. The financial statements included in the Annual Report and the 1979 Statements have been prepared in conformity with generally accepted accounting principles prevalent in the railroad industry, applied on a consistent basis throughout the periods covered thereby. The financial statements contained in the Annual Report and the 1979 Statements present fairly the financial condition of the Lessee at December 31, 1978 and December 31, 1979, respectively, and the results of its operations for the periods then ended. Since December 31, 1979, there has been no material adverse change in the financial condition of the Lessee.

(e) Equipment Complete. On the Acceptance Date for each Item of Equipment, no improvement, modification or addition (Improvement) other than Damage Repairs made under Section 1 hereof is or will be required in order to complete such Item of Equipment for its intended use by Lessee.

## SECTION 21. MISCELLANEOUS.

21.1. Notices and Payments. (a) Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mail, first class, postage prepaid, addressed as follows:

If to the Lessor: Gould Leasing Services, Inc.  
10 Gould Center  
Rolling Meadows, Illinois 60008  
Attention: Controller

If to the Lessee: Bessemer and Lake Erie Railroad Company  
600 Grant Street P.O. Box 536  
Pittsburgh, Pennsylvania 15230  
Attention: Comptroller

If to the Security  
Trustee:

Mercantile-Safe Deposit and Trust  
Company  
Two Hopkins Plaza  
Box 2258  
Baltimore, Maryland 21203  
Attention: Corporate Trust Department

or addressed to any such party at such other address as such party shall hereafter furnish to such other parties in writing.

(b) Any payments to be made to Lessor by wire transfer shall be made to the following address:

Continental Illinois National Bank and  
Trust Company of Chicago  
231 South LaSalle Street  
Chicago, Illinois 60693  
Account No. 73-43159

with instructions to notify Controller, Gould Leasing Services, Inc., or to such other address as Lessor may from time to time designate in writing.

21.2. Right of Lessor to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, either the Lessor or, in the case of an assignment by the Lessor pursuant to Section 16 hereof, the Primary Assignee thereunder may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by any such party and all cost and expense (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder, with interest at the rate of 13% per annum.

21.3. No Broker, Agent, Etc. Neither this Lease nor any of the transactions contemplated hereby has been induced or procured through any person acting as a broker, finder, investment banker, financial advisor or in any similar capacity on behalf of Lessor or Lessee. Lessor and Lessee shall each bear their own respective legal, accounting, inspection, etc. costs incurred in connection with this Lease.

21.4. 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.

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

21.6. Headings and Table of Contents. All section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

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

21.8. Survival. All warranties, representations and covenants made by the Lessor or Lessee herein or in any certificate or other instrument delivered by or on behalf of the Lessor or the Lessee under this Lease shall be considered to have been relied upon by the other party hereto, and any assignee thereof pursuant to Section 16 hereof (including, without limitation, the Security Trustee) and shall survive the consummation of the transactions contemplated hereby regardless of any investigation made by any such party or on behalf of any such party. All statements in any such certificate or other instrument shall constitute warranties and representations of the Lessee.

21.9. Definition. As used herein the term "person" shall include any individual, joint tenancy, tenancy in common, partnership, joint stock company, trustee, receiver or corporation or any combination thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

Attest: GOULD LEASING SERVICES, INC.  
("Lessor")

D. Daneyr. Jun

By: John Vanecko  
Its VP & Controller

Attest: BESSEMER AND LAKE ERIE  
RAILROAD COMPANY  
("Lessee")

R. J. Gentile  
ASSISTANT SECRETARY

By: M. Braetel  
Its VICE PRESIDENT OF FINANCE



COMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF ALLEGHENY )

On this 1st day of May, 1980, before me personally appeared V.W. Kretsch, to me personally known, who, being by me duly sworn, says that he is an authorized officer of BESSEMER AND LAKE ERIE RAILROAD COMPANY, that said instrument was signed 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.

Maureen M. Jellep  
Notary Public

NOTARIAL SEAL

My commission expires:

Dec. 18, 1982

Schedule A

DESCRIPTION OF ITEMS OF EQUIPMENT

Manufacturer of Equipment:

Greenville Steel Car Company

Description and Mark and  
Number of Items of Equipment:

275 100-ton Open-Top Hopper  
Cars marked and numbered:  
ROCK 701020 to 701041, inclusive  
ROCK 701043 to 701090, inclusive  
ROCK 701092 to 701112, inclusive  
ROCK 701114 to 701171, inclusive  
ROCK 701173 to 701197, inclusive  
ROCK 701199 to 701299, inclusive  
and to be remarked and  
renumbered:  
BLE 51020 to 51041, inclusive  
BLE 51043 to 51090, inclusive  
BLE 51092 to 51112, inclusive  
BLE 51114 to 51171, inclusive  
BLE 51173 to 51197, inclusive  
BLE 51199 to 51299, inclusive,  
respectively.

INTERCHANGE POINTS

The Items should be routed to any Elgin, Joliet and Eastern Railway Company (EJ&E) interchange point except the following:

1. The EJ&E interchange with the Belt Railway of Chicago at South Chicago; South Chicago, 98th Street.
2. The EJ&E interchange with Chicago Shortline at South Chicago and South Chicago 98th Street (South Deering).
3. The EJ&E interchange with Chicago, Rock Island and Pacific at South Chicago; South Chicago (via B.R. of C.); South Chicago, 98th Street (via B.R. of C.); South Chicago, 98th Street (Irondale) (via C., W.P.&S.); South Chicago, 98th Street (South Chicago).



Fixed Rental  
Payment Date on which  
Casualty Value is Paid

Percentage of Fair  
Market Value Payable as  
Casualty Value

Any payment date for interim rental

1-1-96	23.178897
7-1-96	22.932984
1-1-97	22.670833
7-1-97	22.379482
1-1-98	22.067843
7-1-98	21.722570
1-1-99	21.352178
7-1-99	20.942912
1-1-00	20.502802
7-1-00	20.106244
1-1-01	20.115389
7-1-01	20.072035
1-1-02	20.000000

At the end of the Lease term  
and thereafter

(BLE Lease No. 90-1)

Schedule D

CASUALTY VALUES

The Casualty Value for an Item of Equipment payable on any payment date for Interim Rental or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the sum of \$35,000 being the Fair Market Value of such Item on the date of this Lease set forth opposite such date in the following schedule:

TABLE I

<u>Fixed Rental Payment Date on which Casualty Value is Paid</u>	<u>Percentage of Fair Market Value Payable as Casualty Value</u>
Any payment date for interim rental	
7-1-80	95.997363
1-1-81	96.985416
7-1-81	97.780585
1-1-82	98.310094
7-1-82	92.869575
1-1-83	92.859548
7-1-83	92.593359
1-1-84	92.053205
7-1-84	85.550105
1-1-85	84.494120
7-1-85	83.194197
1-1-86	81.642857
7-1-86	74.147314
1-1-87	72.128880
7-1-87	69.893414
1-1-88	67.459470
7-1-88	64.900959
1-1-89	62.224490
7-1-89	59.422989
1-1-90	56.488958
7-1-90	53.474440
1-1-91	50.191119
7-1-91	46.853844
1-1-92	43.456999
7-1-92	40.039393
1-1-93	36.643960
7-1-93	33.276338
1-1-94	29.979768
7-1-94	26.761269
1-1-95	23.636315
7-1-95	23.399349