

**KINGFISH FINANCIAL CORPORATION**

P.O. Box 630  
Chicago, Ill. 60690  
984-1625

RECORDATION NO. 14649 Filed 1425

MAY 20 1985 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 14649 Filed 1425

MAY 20 1985 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

May 7, 1985

Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

5-140A038

Re: Trans Union Leasing Corporation/North Shore Railroad Company Lease dated March 25, 1985

No. ....  
Date MAY 20 1985  
No. 2000

Dear Sir:

ICC Washington, D. C.

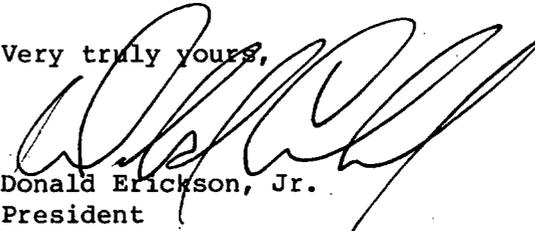
We deliver to you herewith for recordation, pursuant to 49 USC Section 11303, one executed and two certified copies of an Equipment Lease dated as of March 25, 1985 (the "Lease") by and between Trans Union Leasing Corporation, 222 West Adams Street, Suite 999, Chicago, Illinois 60606 (the "Lessor") and North Shore Railroad Company, 356 Priestley Avenue, Northumberland, Pennsylvania 17857 (the "Lessee"). There is also enclosed one executed and two certified copies of a lease assignment from the Lessor to Kingfish Financial Corporation.

The Lease and the assignment covers three CF-7 Locomotives more particularly identified by Road Nos. 2427, 2429, and 2444.

We deliver herewith our check in the amount of \$20.00 payable to the Interstate Commerce Commission to cover the recordation fees.

Please return one copy of the Lease and the Assignment stamped with the recordation date to the undersigned.

Very truly yours,

  
Donald Erickson, Jr.  
President

DEJ:cg

Enclosures

Interstate Commerce Commission  
Washington, D.C. 20423

5/21/85

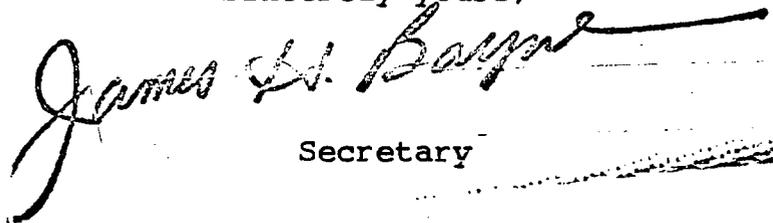
OFFICE OF THE SECRETARY

Donald Erickson, Jr.  
President  
Kingfish Financial Corporation  
P.O.Box 630  
Chicago, Illinois 60690

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 5/20/85 at 3:15pm and assigned re-  
recording number(s) 14649 & 14649-A

Sincerely yours,

  
Secretary

Enclosure(s)

SE-30  
(7/79)

MAY 20 1985 3 42 PM

INTERSTATE COMMERCE COMMISSION

8503050101

LEASE NUMBER



# Trans Union Leasing Corporation

An Affiliate of Trans Union Corporation  
Area Code 312/431-3366 - Telex: 25-5225

## EQUIPMENT LEASE

Lease dated as of March 25, 19 85, between Trans Union Leasing Corporation a Delaware corporation having its principal office at 111 West Jackson Boulevard, Chicago, Illinois 60604 ("Lessor"), and North Shore Railroad Company, a Pennsylvania Corporation having its principal office at 356 Priestley Avenue, Northumberland, PA 17857 ("Lessee").

1. *Lease.* Subject to the terms hereof, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the equipment and/or other property ("Equipment") described on Schedules to this Lease executed from time to time by Lessor and Lessee.

2. *Term.* Unless otherwise specified on any Schedule, the term of this Lease for all items of Equipment included on any Schedule shall commence on the date the first of such items is accepted by Lessee, or such other date as may be specified on such Schedule ("Commencement Date"), and, subject to the terms hereof, shall continue for the period of time set forth on said Schedule.

3. *Rental.* With respect to each Schedule, Lessee shall pay to Lessor total rental equal to the product of (i) the periodic rental payments specified on such Schedule and (ii) the number of rental payments specified on such Schedule. Any advance rental and/or security deposit specified on a Schedule shall be due upon execution of such Schedule by Lessee. Lessee shall not be entitled to any interest on or discount for any advance rental. Subject to payment by Lessee of any advance rental applicable to the first installment, the first installment of rental with respect to each Schedule shall be due on the Commencement Date. Unless otherwise specified on any such Schedule, subsequent installments of rental shall be due in advance on the first day of each ensuing calendar period specified on such Schedule. If the Commencement Date shall occur on other than the first day of such calendar period, the first and last installments of rental shall be adjusted proportionately. All rentals shall be paid to Lessor at 111 West Jackson Boulevard, Chicago, Illinois 60604, or at such other address as Lessor may specify by notice to Lessee. All such rentals shall be paid without notice or demand and without abatement, deduction or setoff of any amount for any reason whatsoever. If any rentals or other sums due hereunder are not paid within 5 days of the due date thereof, Lessee shall pay to Lessor on demand, as additional rental, interest thereon from the due date until payment at a rate equal to the lesser of (i) 15 percent per annum or (ii) the maximum rate permitted by law.

4. *Errors in Estimated Cost.* The amount of each rental installment and any advance rental and/or security deposit set forth on each Schedule is based upon the estimated total cost of the Equipment to Lessor initially set forth on said Schedule, and each of the foregoing shall be adjusted proportionately if the actual cost of the Equipment differs from said estimate. Lessee hereby authorizes Lessor to correct the figures set forth on such Schedule when the actual cost is known, and to insert on such Schedule any serial number or other more specific description of the Equipment and the Commencement Date of this Lease with respect to such Schedule when ascertained. As used herein, "actual cost" means the total cost to Lessor of purchasing and causing delivery and, where applicable, installation of the Equipment, including, without limitation, all taxes, insurance and transportation charges paid by Lessor in connection therewith.

5. *Disclaimer of Warranties.* LESSEE ACKNOWLEDGES THAT: (i) THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY LESSEE; (ii) LESSOR IS NOT A MANUFACTURER THEREOF NOR A DEALER IN PROPERTY OF SUCH KIND; (iii) NEITHER THE VENDOR(S) NAMED ON ANY SCHEDULE NOR ANY REPRESENTATIVE OF ANY SUCH VENDOR OR ANY MANUFACTURER OF THE EQUIPMENT IS AN AGENT OF LESSOR OR AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE; AND (iv) LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE EQUIPMENT. No defect in, unfitness of or inability of Lessee to use any Equipment, howsoever caused, shall relieve Lessee from its obligation to pay rentals hereunder or from any other obligations of Lessee hereunder. Lessor shall not in any event be responsible to Lessee or anyone claiming through Lessee for any damages, direct, consequential, or otherwise, resulting from the delivery, installation, use, operation, performance or condition of any Equipment, or any delay or failure by any Vendor in delivering and/or installing any Equipment or performing any service for Lessee. Nothing herein shall be construed as depriving Lessee of whatever rights Lessee may have against any Vendor or any manufacturer of the Equipment, and Lessor hereby authorizes Lessee, at Lessee's expense, to assert for Lessor's account during the term of this Lease, all of Lessor's rights under any warranty given by a Vendor or any such manufacturer.

6. *Acceptance.* Lessee shall inspect each item of Equipment within 72 hours after delivery or, where applicable, installation thereof. Unless Lessee within said period of time gives written notice to Lessor and the Vendor specifying any defect in or other proper objection to such Equipment, it shall be conclusively presumed between Lessor and Lessee that Lessee has fully inspected such Equipment, that such Equipment is in full compliance with the terms of this Lease, that such Equipment is in good condition (operating and otherwise) and repair, and that Lessee has then unconditionally accepted such Equipment. Forthwith after acceptance of each item of Equipment, Lessee shall execute and deliver to Lessor, Lessor's form of Delivery and Acceptance Acknowledgment.

7. *Maintenance.* Lessee shall, at its sole cost, maintain the Equipment in good operating order, repair and condition, and in substantially the same condition as when first received, ordinary wear and tear excepted; and Lessee shall furnish any and all labor, parts, mechanisms and devices required to keep the Equipment in such condition.

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Lessee shall promptly, at its expense, replace any and all parts, appliances and equipment which may be worn out, lost, destroyed, confiscated, or otherwise rendered unsatisfactory or unavailable for use in or on the Equipment, which replacements shall (a) be in good operating condition; (b) have a value, utility and quality at least equal to the property replaced, assuming such replaced property had been in good operating condition prior to such replacement; (c) be free and clear of all liens and encumbrances; and (d) become the property of Lessor forthwith and be included in the definition of Equipment contained in Paragraph 1 above, subject to all terms and conditions of this Lease.

8. *Security Deposit.* The security deposit, if any, specified on each Schedule shall secure the full and faithful performance of all agreements, obligations and warranties of Lessee hereunder, including, but not limited to, the agreement of Lessee to return the Equipment upon the expiration or earlier termination of this Lease in the condition hereinafter specified. Such deposit shall not excuse the performance of any such agreements, obligations or warranties of Lessee or prevent a default. Lessor may (but need not) apply all or any part of such security deposit toward discharge of any overdue obligation of Lessee. To the extent any portion of such security deposit is so applied by Lessor, Lessee shall forthwith restore the security deposit to its full amount. If upon the expiration of the term of this Lease, Lessee shall have fully complied with all of its agreements, obligations and warranties hereunder, any unused portion of such security deposit will be refunded to Lessee. Lessor shall not be obligated to pay any interest on said deposit.

9. *Insurance.* Lessee shall, at its expense, keep the Equipment insured against all risks of loss or physical damage for not less than the "Stipulated Loss Value" (as that term is defined on the "Stipulated Loss Value Table" attached hereto or to the applicable Schedule). Lessee shall further, at its expense, provide and maintain comprehensive public liability insurance against claims for bodily injury, death and/or property damage arising out of the use, ownership, possession, operation or condition of the Equipment; together with such other insurance as may be required by law or reasonably requested by Lessor. All said insurance shall name both Lessor and Lessee as parties insured and shall be in form and amount and with insurers satisfactory to Lessor, and Lessee shall furnish to Lessor certified copies or certificates of the policies of such insurance and each renewal thereof. Each insurer must agree, by endorsement upon the policy or policies issued by it, that it will give Lessor not less than 30 days' written notice before such policy or policies are cancelled or altered, and, under the physical damage insurance, (a) that losses shall be payable solely to Lessor, and (b) that no act or omission of Lessee or any of its officers, agents, employees or representatives shall affect the obligation of the insurer to pay the full amount of any loss. Lessee hereby irrevocably authorizes Lessor to make, settle and adjust claims under such policy or policies of physical damage insurance and to endorse the name of Lessee on any check or other item of payment for the proceeds thereof; it being understood, however, that unless otherwise directed in writing by Lessor, Lessee shall make and file timely all claims under such policy or policies, and unless Lessee is then in default, Lessee may, with the prior written approval of Lessor (which will not be unreasonably withheld) settle and adjust all such claims.

10. *Risk of Loss.* As used herein, the term "Event of Loss" shall mean any of the following events with respect to any of the Equipment: (a) the actual or constructive total loss of such Equipment; (b) the loss, theft or destruction of such Equipment or damage to such Equipment to such extent as shall make repair thereof uneconomical or shall render such Equipment permanently unfit for normal use for any reason whatsoever; or (c) the condemnation, confiscation, requisition, seizure, forfeiture or other taking of title to or use of such Equipment. Except as expressly hereinafter provided, the occurrence of any Event of Loss or other damage to or deprivation of use of any Equipment, howsoever occasioned, shall not reduce or impair any obligation of Lessee hereunder, and, without limiting the foregoing, shall not result in any abatement or reduction in rentals whatsoever. Lessee hereby assumes and shall bear, from the time such risks pass to Lessor from the Vendor until the expiration or termination of the lease term and return of the Equipment to Lessor, the entire risk of any Event of Loss or any such other damage to or deprivation of use of the Equipment, howsoever occasioned.

Upon the occurrence of any damage to any Equipment not constituting an Event of Loss, Lessee shall, at its sole cost and expense, promptly repair and restore such Equipment so as to return such Equipment to substantially the same condition as existed prior to the date of such occurrence (assuming such Equipment was then in the condition required by this Lease). Provided that Lessee is not then in default hereunder, upon receipt of evidence reasonably satisfactory to Lessor of completion of such repairs and restoration in accordance with the terms of this Lease, Lessor will apply any insurance proceeds received by Lessor on account of such occurrence to the cost of such repairs and restoration; it being understood, however, that if at such time Lessee shall be in default hereunder, Lessor may, at its option, retain any part or all of such proceeds and apply same to any obligations of Lessee to Lessor.

Upon the occurrence of an Event of Loss, Lessee shall immediately notify Lessor in writing of such occurrence, fully informing Lessor of all details with respect thereto, and, on or before the first to occur of (i) 30 days after the date upon which such Event of Loss occurs, or (ii) 5 days after the date on which either Lessor shall receive any proceeds of insurance in respect of such Event of Loss or any underwriter of insurance on the Equipment shall advise Lessor or Lessee in writing that it disclaims liability in respect of such Event of Loss, if such be the case, Lessee shall pay to Lessor an amount equal to (a) the sum of all rentals and other sums then due hereunder and the Stipulated Loss Value of the affected Equipment (the "Casualty Value"), less (b) the amount of any insurance proceeds or condemnation or similar award by a governmental authority then actually received by Lessor on account of such Event of Loss. No delay or refusal by any insurance company or governmental authority in making payment on account of such Event of Loss shall extend or otherwise affect the obligations of Lessee hereunder. Lessee shall continue to pay all rentals and other sums due hereunder up to and including the date upon which the Casualty Value is actually received in full by Lessor, whereupon this Lease with respect to such Equipment shall terminate and all rentals reserved hereunder with respect to such Equipment from the date such payment is received in full by Lessor, as aforesaid, to what would have been the end of the term hereof, shall abate. No such payment shall affect Lessee's obligations with respect to Equipment not subject to an Event of Loss. After receipt by Lessor of the Casualty Value in full, Lessor will upon request of Lessee transfer its interest, if any, in such Equipment to Lessee on an "as-is, where-is" basis and without warranty by or recourse to Lessor.

The proceeds of insurance in respect of an Event of Loss and any award on account of any condemnation or other taking of any Equipment by a governmental authority shall be paid to Lessor and applied by Lessor against the obligation of Lessee to pay Lessor the Casualty Value of such Equipment (or, if Lessee shall have first paid the Casualty Value in full and is not in default hereunder, shall be promptly paid over by Lessor to Lessee up to the extent necessary to reimburse Lessee for payment of the Stipulated Loss Value); and the balance, if any, of such proceeds or award shall be paid over promptly by Lessor to Lessee if Lessee is not then in default hereunder. It is further understood that if at such time Lessee is in default hereunder, Lessor may at its option apply all or any part of such proceeds to any obligations of Lessee to Lessor.

11. *Indemnity.* Lessee shall indemnify and hold Lessor harmless from and against any and all claims, costs, expenses (including attorneys' fees) losses and liabilities of whatsoever nature arising out of or occasioned by or in connection with (i) the purchase, delivery, installation, acceptance, rejection, ownership, leasing, possession, use, operation, condition or return of any Equipment, or (ii) any breach by Lessee of any of its obligations hereunder. This indemnity and the indemnity contained in Paragraph 12 hereof shall survive the termination hereof howsoever caused.

12. *Taxes.* Lessee shall pay as and when due, and indemnify and hold Lessor harmless from and against, all present and future taxes and other governmental charges (including, without limitation, sales, use, leasing, stamp and personal property taxes and license and registration fees), and amounts in lieu of such taxes and charges and any penalties and interest on any of the foregoing, imposed, levied or based upon, in connection with or as a result of the purchase, ownership, delivery, leasing, possession or use of the Equipment or the exercise by Lessee of any option hereunder, or based upon or measured by rentals or receipts with respect to this Lease. Lessee shall not, however, be obligated to pay any taxes on or measured by Lessor's net income. Lessee authorizes Lessor to add to the amount of each rental installment any sales or leasing tax that may be imposed on or measured by such rental installment. Lessee further agrees to comply with all state or local laws requiring the filing of ad valorem tax returns with respect to the Equipment.

If not thereby subjecting the Equipment to forfeiture or sale, Lessee may at its expense contest in good faith, by appropriate proceedings, the validity and/or amount of any of the taxes or other governmental charges described above, provided that prior written notice of any such contest shall be given to Lessor together with security satisfactory to Lessor for the payment of the amount being contested.

13. *Notices; Inspection.* Lessee shall give Lessor immediate notice of any attachment, judicial process, lien, encumbrance or claim affecting the Equipment, any loss or damage to the Equipment or material accident or casualty arising out of the use, operation or condition of the Equipment, and any change in the residency or principal place of business of Lessee or any guarantor of Lessee's obligations hereunder ("Guarantor"). Lessor may (but need not), for the purpose of inspection, at all reasonable business hours, enter from time to time upon any premises where the Equipment is located.

14. *Alterations.* Lessee shall not make or permit any changes or alterations to the Equipment without Lessor's prior written consent. All accessories, replacements, parts and substitutions for or which are added or attached to the Equipment shall become the property of Lessor, included in the definition of Equipment, and subject to this Lease.

15. *Title.* All Equipment shall remain personal property notwithstanding the manner in which it may be attached to realty, and the title thereto shall remain in Lessor exclusively. Lessee shall keep the Equipment free from all liens and encumbrances, and Lessee shall use the Equipment in a careful and proper manner and in compliance with all laws and regulations. Lessee shall execute and/or furnish to Lessor any further instruments and assurances reasonably requested from time to time by Lessor to protect its interest, and shall otherwise cooperate to defend the title of Lessor and to maintain the status of the Equipment as personal property, including, without limitation, the execution of financing statements and the furnishing of waivers with respect to rights in the Equipment from the owners and mortgagees of the real estate on which the Equipment is or will be located. Lessor may file or record any such financing statements, waivers or other instruments in order to protect its interest. If Lessor supplies Lessee with labels stating that the Equipment is owned by Lessor, Lessee shall affix and maintain same upon a prominent place on each item of Equipment.

16. *Quiet Enjoyment.* So long as Lessee shall not be in default and fully performs all of its obligations hereunder, Lessor will not interfere with the quiet use and enjoyment of the Equipment by Lessee.

17. *Return.* Upon the expiration or earlier termination of this Lease with respect to any Equipment, Lessee shall return such Equipment to Lessor in substantially the same condition as when received by Lessee, ordinary wear and tear excepted. Lessee shall make such return, at its expense, by causing such Equipment to be assembled, crated and loaded on board such carrier as Lessor shall specify and shipping the same, freight and insurance prepaid, to the destination specified by Lessor; provided, however, that Lessor shall reimburse Lessee for any freight charges incurred at the direction of Lessor which may exceed the charges for shipment from the then location of such Equipment to Lessor's principal place of business in Chicago, Illinois. Lessee shall pay to Lessor on demand, as additional rental hereunder, the cost of any repairs necessary to then place the Equipment in the condition required by this Lease.

18. *Lessee's Warranties.* Lessee warrants to Lessor that (a) if Lessee is a corporation or partnership, Lessee is and shall at all times hereafter be duly organized and existing in good standing under the laws of the State indicated above and has duly authorized the execution and performance of this Lease; (b) this Lease has been duly and validly executed and delivered by Lessee and constitutes and will constitute the valid and binding obligation of Lessee in accordance with its terms; (c) the execution and performance of this Lease by Lessee will not violate any law or regulation or, if Lessee is a corporation, Lessee's corporate charter or by-laws; nor will it constitute a default under any agreement to which Lessee is now or hereafter a party; (d) all financial statements and information which have been or may hereafter be submitted to Lessor relating to Lessee or any Guarantor have been and will be complete, true and correct and have been and will be prepared in accordance with generally accepted accounting principles; (e) there has been no material adverse change in the financial condition of Lessee or any Guarantor since the last submission of such financial information to Lessor; and (f) the Equipment is being leased by Lessee solely for business or commercial purposes. Lessee agrees to deliver to Lessor at any time or times hereafter such documents, including, without limitation, certified resolutions and legal opinions, as Lessor may reasonably request to show Lessee's compliance with the foregoing. Each of the above warranties shall be continuing and shall be deemed remade concurrently with the execution by Lessee of each Schedule.

19. *Assignment.* Lessee hereby consents to any assignment by Lessor and any reassignment of this Lease or rents hereunder with or without notice. Lessee agrees that the rights of any assignee shall not be subject to any defense, setoff or counterclaim that Lessee may have against Lessor, and that any such assignee shall have all of Lessor's rights hereunder, but none of Lessor's obligations. Neither this Lease nor any of Lessee's rights hereunder shall be assignable by Lessee, either by its own act or by operation of law, without the prior written consent of Lessor, and any such attempted assignment shall be void. Lessee further agrees it will not, without the prior written consent of Lessor, allow the Equipment to be used by persons other than employees of Lessee, or rent or sublet any Equipment to others, or remove any Equipment from the location where originally installed.

20. *Lessor's Right to Terminate.* Without limiting the rights of Lessor in the event of a default by Lessee, Lessor shall at any time prior to acceptance of any Equipment have the right to terminate this Lease with respect to such Equipment if (a) there shall be an adverse change in Lessee's or any Guarantor's financial position or credit standing, or (b) Lessor otherwise in good faith deems itself insecure, or (c) such Equipment is not for any reason delivered to Lessee within 90 days or accepted by Lessee within 180 days after any estimated delivery date therefor specified in the Schedule describing such Equipment, or (d) Lessee rejects any Equipment in accordance with Paragraph 6 hereof. In addition, Lessor shall have the right to terminate this Lease with respect to any Equipment at any time prior to acceptance of such Equipment if more than 180 days shall elapse after the date of execution of the Schedule describing such Equipment without acceptance by Lessee and if during such period there shall be a general increase in the prevailing cost of borrowed money; provided, however, that Lessor shall not so have the right to terminate this Lease with respect to such Equipment if Lessee shall then agree to amend this Lease to provide for an increase in rental satisfactory to Lessor which takes into account said increase in the prevailing cost of borrowed money. Upon any termination by Lessor pursuant to this Paragraph, Lessee shall forthwith reimburse to Lessor all sums paid by Lessor with respect to such Equipment and pay to Lessor all other sums then due hereunder; whereupon, if Lessee is not then in default and has then fully performed all of its obligations hereunder, Lessor will, upon request of Lessee, transfer to Lessee without warranty or recourse any rights that Lessor may then have with respect to such Equipment.

21. *Right to Perform Obligations.* If Lessee shall fail to make any payment or perform any act or obligation required of Lessee hereunder, Lessor may (but need not) at any time thereafter make such payment or perform such act or obligation at the expense of Lessee. Any expense so incurred by Lessor shall constitute additional rental hereunder payable by Lessee to Lessor upon demand.

22. *Events of Default.* Lessee shall be in default if it shall fail to pay when due any installment of rental or other sum due hereunder and such failure shall continue for more than 5 days after notice thereof from Lessor to Lessee, or if Lessee shall fail to observe or perform any other provision of this Lease and such failure shall continue for more than 5 days after notice thereof from Lessor to Lessee, or if Lessee or any Guarantor shall die, become insolvent, make an assignment for the benefit of creditors, admit in writing its inability to pay its debts as they mature, cease doing business, dissolve or commit any act of bankruptcy, or if any warranty of Lessee in this Lease shall prove to be untrue in any material respect. In addition, Lessee shall be in default if any bankruptcy, reorganization, arrangement, insolvency, receivership or like proceeding shall be instituted by or against Lessee or any Guarantor or all or substantially all of its or his property, or if Lessee or any Guarantor shall default under any agreement providing for the payment of borrowed money, the deferred purchase price of property or rent under any lease of real or personal property, or if Lessee or any Guarantor shall default under any other agreement with Lessor or any corporation affiliated with Lessor.

23. *Remedies Upon Default.* In the event of any default by Lessee, Lessor may, at its option, do one or more of the following: (a) terminate this Lease and Lessee's rights hereunder; (b) proceed by appropriate court action to enforce performance of the terms of this Lease and/or recover damages for the breach hereof; (c) directly or by its agent, and without notice or liability or legal process, enter upon any premises where any Equipment may be located, take possession of such Equipment, and either store it on said premises without charge or remove the same (any damages occasioned by such taking of possession, storage or removal being waived by Lessee); and/or (d) declare as immediately due and payable and forthwith recover from Lessee, as liquidated damages and not as a penalty, an amount equal to the sum of (i) all rentals and other sums then due and unpaid hereunder and (ii) the then aggregate Stipulated Loss Value of the Equipment ("Liquidated Damages"), together with interest thereon as provided in Paragraph 3 hereof and all other charges recoverable hereunder.

In the event of any repossession of any Equipment by Lessor, Lessor may (but need not), without notice to Lessee, (A) hold or use all or part of such Equipment for any purpose whatsoever, (B) sell all or part of such Equipment at public or private sale for cash or on credit and/or (C) relet all or part of such Equipment upon such terms as Lessor may solely determine; in each case without any duty to account to Lessee except as herein expressly provided. After any repossession of Equipment by Lessor there shall be applied on account of the obligations of Lessee hereunder one of the following chosen at the option of Lessor: (x) the net proceeds actually received by Lessor from a sale of such Equipment, after deduction of all expenses of sale and other expenses recoverable by Lessor hereunder, or (y) the then "net fair market value" of such Equipment, as determined by an appraisal made by an independent appraiser selected by Lessor at Lessee's expense, taking into account a reasonable estimate of all expenses necessary to effect a sale and the other expenses recoverable by Lessor hereunder; and Lessee shall remain liable, subject to all provisions of this Lease, for the balance of the Liquidated Damages and all other charges hereunder. No termination, repossession or other act by Lessor after default shall relieve Lessee from any of its obligations hereunder. In addition to all other charges hereunder, Lessee shall pay to Lessor on demand all fees, costs and expenses incurred by Lessor as a result of such default, including without limitation, reasonable attorneys', appraisers' and brokers' fees and expenses and costs of removal, storage, transportation, insurance and disposition of the Equipment (except to the extent deducted from "net fair market value" or net proceeds of sale, as aforesaid) In the event that any court of competent jurisdiction determines that any provision of this Paragraph 23 is invalid or unenforceable in whole or in part, such determination shall not prohibit Lessor from establishing its damages sustained as a result of any breach of this Lease in any action or proceeding in which Lessor seeks to recover such damages. To the extent permitted by law, Lessee hereby waives trial by jury and any right of setoff or counterclaim in any action between Lessor and Lessee. The remedies provided herein in favor of Lessor shall not be exclusive, but shall be cumulative and in addition to all other remedies existing at law or in equity, any one or more of which may be exercised simultaneously or successively.

24. *Non-Waiver.* Lessor's failure at any time to require strict performance by Lessee of any provision hereof shall not waive or diminish Lessor's rights thereafter to demand strict performance thereof or of any other provision. None of the provisions of this Lease shall be held to have been waived by any act or knowledge of Lessor, but only by a written instrument executed by Lessor and delivered to Lessee. Waiver of any default shall not be a waiver of any other or subsequent default.

25. *Communications.* All notices required or permitted hereunder shall be in writing and shall be deemed duly given if delivered personally or mailed, by first class, registered or certified mail, to the respective addresses of the parties set forth at the beginning of this Lease or any other address designated by notice served in accordance herewith.

26. *Financial and Other Information.* Lessee shall furnish to Lessor such financial and other information about the condition and affairs of Lessee and any Guarantor and about the Equipment as Lessor may from time to time reasonably request.

27. *Miscellaneous.* If any provision of this Lease or the application thereof is hereafter held invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and to this end the provisions of this Lease are declared severable. Titles to Paragraphs shall not be considered in the interpretation of this Lease. This Lease (including the Schedules and any Riders hereto) sets forth the entire understanding between the parties and may not be modified except in a writing signed by both parties. Except as may be expressly provided in any Schedule or Rider hereto, no options to purchase any of the Equipment or extend the term of this Lease with respect to any Equipment have been granted or agreed to by Lessor, and none shall be implied by this Lease. If there is more than one Lessee, the obligations of Lessee hereunder are joint and several. The necessary grammatical changes required to make the provisions hereof apply to corporations, partnerships and/or individuals, men or women, shall in all cases be assumed as though in each case fully expressed. Subject to the terms hereof, this Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective personal representatives, successors and assigns. This Lease shall be governed in all respects by the laws of the State of Illinois. This Lease is submitted to Lessor for its acceptance or rejection and will not become effective until accepted by Lessor in writing at its office in Chicago, Illinois. THIS LEASE IS IRREVOCABLE BY LESSEE FOR THE FULL TERM HEREOF AND FOR THE AGGREGATE RENTALS HEREIN RESERVED. The individuals executing this Lease on behalf of Lessee personally warrant that they are doing so pursuant to due authorization and that by so executing this Lease, Lessee is being bound hereby.

Dated as of the day and year first above written.

Accepted by Lessor at Chicago, Illinois.

Trans Union Leasing Corporation

By W. J. Cox  
President

LESSEE - North Shore Railroad Company  
Legal Name  
Richard D. Robey  
Signature (1) Signature (2)  
Richard D. Robey  
Printed Name  
President  
Title  
WITNESS: Miriam R. Robey  
Signature  
Miriam R. Robey  
Printed Name

STATE OF ILLINOIS )  
 )  
COUNTY OF COOK )

On this 16th day of May, 1985, before me personally came William J. Cox, to me known, who, being by me duly sworn, did depose and say that he resides at 222 West Adams Street, Suite 999, Chicago, Illinois 60606; that he is ~~an~~ the President of Trans Union Leasing Corporation, one of the corporations described in and which executed the foregoing instrument; that he knows the seal affixed to the foregoing instrument is the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Karen Stowski  
Notary Public

COMMISSION EXPIRES  
JULY 28, 1986

STATE OF PENNSYLVANIA )  
 )  
COUNTY OF NORTHUMBERLAND )

On this 30th day of April, 1985, before me personally came Richard D. Robey, to me known, who, being by me duly sworn, did depose and say that he resides 133 Mountain View Lewisburg, Pennsylvania; that he is a President of North Shore Railroad Company, one of the corporations described in and which executed the foregoing instruments; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

My Commission Expires: June 18, 1988

Richard D. Robey  
Notary Public

To and hereby made a part of Equipment Lease No. 8503050101 dated as of March 25, 1985  
between Trans Union Leasing Corporation ("Lessor") and North Shore Railroad Company ("Lessee").

Equipment:

Vendor:

Three (3) CF-7 Locomotives  
Road No. 2427  
Road No. 2429  
Road No. 2444

Original Location: Centre County, Columbia County, Montour County and Northumberland County, Pa.

Estimated Delivery Date: \_\_\_\_\_

Initial Term of Lease: See Rider No. 01, Section 31

Commencement Date (if ascertained): \_\_\_\_\_

Rental: \$ See Rider No. 01, Section 31 per \_\_\_\_\_

Number of Rental Payments: See Rider No. 01, Section 31

Advance Rental: \$ None covering \_\_\_\_\_

Security Deposit: None

Estimated Total Cost of Equipment: \$ 85,000.00

Additional Provisions:

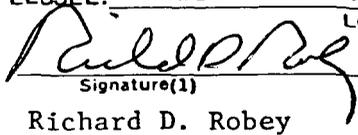
Dated as of the day and year first above written.

Accepted by Lessor at Chicago, Illinois.

Trans Union Leasing Corporation

By   
Vice President

LESSEE: North Shore Railroad Company  
Legal Name

  
Signature(1) Signature(2)

Richard D. Robey  
Printed Name Printed Name

President  
Title Title

WITNESS:   
Signature

Miriam R. Robey  
Printed Name

**Stipulated Loss Value Table**

TO AND HEREBY MADE A PART OF SCHEDULE NO. 01 TO EQUIPMENT LEASE  
 NO. 8503050101 DATED AS OF March 25, 1985  
 BETWEEN Trans Union Leasing Corporation ("LESSOR") AND North Shore Railroad Company  
 ("LESSEE").

The "Stipulated Loss Value" of the Equipment as of a particular date shall be an amount equal to the product of (x) the actual cost of such Equipment to Lessor, and (y) the percentage specified below opposite the aggregate number of full rental installments paid and/or then payable by Lessee to Lessor with respect to such Equipment.

<u>Number of Installments</u>	<u>Percentage</u>	<u>Number of Installments</u>	<u>Percentage</u>	<u>Number of Installments</u>	<u>Percentage</u>
1	99.6	21	83.4	41	53.3
2	99.1	22	82.2	42	51.4
3	98.6	23	81.0	43	49.5
4	98.0	24	79.7	44	47.5
5	97.4	25	78.5	45	45.6
6	96.8	26	77.1	46	43.6
7	96.2	27	75.8	47	41.5
8	95.5	28	74.4	48	39.4
9	94.7	29	73.0	49	37.3
10	94.0	30	71.5	50	35.2
11	93.2	31	70.1	51	33.0
12	92.4	32	68.5	52	30.8
13	91.5	33	67.0	53	28.5
14	90.6	34	65.4	54	26.2
15	89.7	35	63.8	55	23.9
16	88.7	36	62.1	56	21.5
17	87.7	37	60.4	57	19.2
18	86.7	38	58.7	58	16.7
19	85.6	39	56.9	59	14.3
20	84.5	40	55.1	60	11.8

To and part of Schedule(s) No. 01 to Equipment Lease No. 8503050101 dated as of March 25 1985, between Trans Union Leasing Corporation ("Lessor") and North Shore Railroad Company ("Lessee"). Notwithstanding anything to the contrary in the printed portion of this Lease, it is further agreed as follows:

- 28. Financial Information - Lessee shall furnish to Lessor, within 45 days after the end of each fiscal quarter of Lessee, a statement of a profit and loss and of surplus of Lessee for the quarter then ended and a balance sheet of Lessee as of the end of such quarter all in reasonable detail and certified by the chief financial officer of Lessee. In addition, Lessee will provide Lessor with any other financial or statistical information as Lessor may from time to time reasonably request.
- 29. Purchase Option - Provided that Lessee has not been in default and has then fully performed all of its obligations hereunder, Lessee shall have the option at the expiration of the term of this Lease with respect to each Schedule hereto, exercisable upon not less than 30 days prior written notice to Lessor, to acquire all of the Equipment leased under such Schedule, on an "as-is, where-is" basis and without warranty by Lessor, for a price (plus applicable taxes) of \$10,000.00.
- 30. Lessor's Option to Sell - At and for a period of 30 days after the expiration of this Lease with respect to each Schedule hereto, Lessor shall have the option to sell to Lessee and require Lessee to purchase from Lessor, all of the Equipment leased under such Schedule, on an "as-is, where-is" basis and without warranty by Lessor, for a price (plus applicable taxes) equal to the sum of (i) all rentals and other sums then due under this Lease, and (ii) the amount of \$10,000.00 (plus applicable taxes). In the event that Lessor shall exercise any such option, Lessee agrees that it will forthwith upon demand of Lessor pay to Lessor the full price, as aforesaid.
- 31. Rentals - Lessee shall be required to pay 60 consecutive installments of rental each payable monthly, in advance. The first installment of such rental shall be due on the Commencement Date. Each monthly installment shall be \$2,152.00, except as modified below.

The term and monthly rental shall further be determined based upon the Car Hire monthly payments generated by Lessee on a minimum of twenty (20) boxcars leased by Lessee under that certain Lease Agreement dated March 1, 1985, between WCTU Railway Company ("WCTU"), as lessor, and Lessee as lessee. Lessee shall pay to Lessor an amount equal to 35% of said Car Hire monthly payments.

In the event that 35% of said Car Hire monthly payments is an amount less than \$2,152.00, Lessee shall pay that amount to Lessor. The difference between 35% of said monthly hourly rental and \$2,152.00 shall accrue interest from the due date of any such rental, at the rate of 15% per annum (the "shortfall").

Dated as of March 25, 1985

Accepted by Lessor at Chicago, Illinois

Trans Union Leasing Corporation

By [Signature]  
Vice President

Lessee: North Shore Railroad Company

[Signature] Legal Name  
 Signature (1) Signature (2)  
Richard D. Robey  
 Printed Name Printed Name  
President  
 Title Title

Witness: [Signature]  
 Signature  
Miriam R. Robey  
 Printed Name

To and part of Schedule(s) No. 01 to Equipment Lease No. 8503050101 dated as of March 25 1985,  
between Trans Union Leasing Corporation ("Lessor") and North Shore Railroad Company ("Lessee").

In the event that the shortfalls shall accumulate to an amount of \$6,456.00 or greater, the Lease term will be extended by three additional months and the accumulated shortfall will be reduced by \$6,456.00. Subsequent shortfall accumulations of \$6,456.00 or greater shall be treated in the same manner. In no event, however, shall the term of the Lease be extended beyond 72 months.

In the event that 35% of the said Car Hire monthly payments should exceed \$2,152.00, the excess shall be applied as follows:

- a) If there is a shortfall from a previous rental period, or periods, and the shortfall has not then exceeded \$6,456.00, the excess shall be applied to reduce the shortfall.
- b) Any amounts in excess of the accumulated shortfall, or in the absence of an accumulated shortfall, shall be applied to future rentals and other sums due under the Lease.

As the rental payments due hereunder are based upon Car Hire monthly payments generated by boxcars leased from WCTU, in the event that the Lease Agreement relating to the boxcars is terminated for any reason whatsoever, then, at that point in time, any rentals payments or other sums then due, or to become due, under the Equipment Lease, shall then become immediately due and payable.

32. Stipulated Loss Value Table - Only monthly rental payments of at least \$2,152.00 shall be considered "full rental installments" for purposes of computing the Stipulated Loss Value.

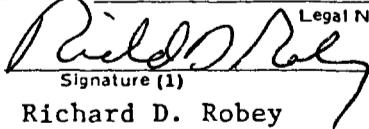
Dated as of March 25, 19 85

Accepted by Lessor at Chicago, Illinois

Trans Union Leasing Corporation

By   
Vice-President

Lessee: North Shore Railroad Company

 Legal Name

Signature (1) Signature (2)

Richard D. Robey Printed Name

Printed Name

Title Title

Title Title

Witness:  Signature

Miriam R. Robey Printed Name

To and part of Schedule(s) No. 01 to Equipment Lease No. 8503050101, dated as of March 25, 19 85 between Trans Union Leasing Corporation ("Lessor") and North Shore Railroad Company ("Lessee").

Notwithstanding anything in the printed portion of this Lease to the contrary, it is further agreed as follows:

Sale and Leaseback. Concurrently with the execution and delivery hereof, Lessee has executed and delivered to Lessor a bill of sale dated as of the date hereof (the "Bill of Sale") pursuant to which Lessee has sold and delivered to Lessor all of the Equipment described on Schedule(s) No. 01 hereto. By its execution and delivery of this Lease (including said Schedule(s) No. 01), Lessee hereby acknowledges to Lessor that as of the Commencement Date specified on Schedule(s) No. 01:

- (i) all of the Equipment described in Schedule(s) No. 01 and referred to on said Bill of Sale has been redelivered by Lessor to Lessee and is now in possession of Lessee and located or based at the premises of Lessee listed on Schedule(s) No. 01;
- (ii) all said Equipment is now in good condition (operating and otherwise) and repair; and
- (iii) Lessee has unconditionally accepted all of said Equipment for all purposes of this Lease.

Dated as of March 25, 19 85

LESSEE:  
North Shore Railroad Company

Accepted by Lessor at Chicago, Illinois

By Richard D. Robey  
Richard  
Its Robert D. Robey - President

TRANS UNION LEASING CORPORATION

By [Signature]  
Its [Signature]

WITNESS Miriam R. Robey  
Miriam R. Robey  
Printed Name