

CRAVATH, SWAINE & MOORE

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REGISTRATION NO. 14690 Filed 1425

JUN 4 1985 - 10 25 AM

No. _____
Date JUN 04 1985
Fee \$ 10.00
ICC Washington, D.C.

INTERSTATE COMMERCE COMMISSION

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June 4, 1985

The Denver and Rio Grande Western Railroad Company
Security Agreement Dated as of June 1, 1985

Dear Mr. Bayne:

Pursuant to 49 U.S.C. § 11303 and your Commission's rules and regulations thereunder, as amended, I have enclosed on behalf of The Denver and Rio Grande Western Railroad Company for filing and recordation counterparts of the following document:

Security Agreement dated as of June 1, 1985, between The Denver and Rio Grande Western Railroad Company, as Railroad, and First Interstate Bank of Denver, N.A., as Trustee.

The names and addresses of the parties to the aforementioned document are as follows:

1. Railroad:

The Denver and Rio Grande Western
Railroad Company
1515 Arapahoe Street
Denver, Colorado 80202

2. Trustee:

First Interstate Bank of Denver, N.A.
633 Seventeenth Street
Denver, Colorado 80202

Countersigned - Oldham New Number

Please file and record the document referred to above and index it under the names of the Railroad and the Trustee.

The equipment covered by the aforementioned document is described in Exhibit A hereto.

I have also enclosed our check for \$10 for the required fee. Please accept for recordation one counterpart of the enclosed document, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to my attention.

Very truly yours,



Myles C. Pollin
as Agent for The Denver and
Rio Grande Western Railroad
Company

Mr. James H. Bayne, Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

• 14690

REGISTRATION NO. _____ FORM 1425

JUN 4 1985 10 25 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of June 1, 1985

between

FIRST INTERSTATE BANK OF DENVER, N.A.,

Trustee,

and

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

SECURITY AGREEMENT dated as of June 1, 1985, between THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, a Delaware corporation (the "Railroad") and FIRST INTERSTATE BANK OF DENVER, N.A., a national banking association, organized and existing under the laws of the United States, as Trustee (the "Trustee").

WHEREAS, the Railroad has subjected the railroad equipment described in Part I of Schedule A hereto to an Equipment Trust Agreement dated as of May 1, 1982, as supplemented by a Supplemental Agreement dated as of March 15, 1985 (such Equipment Trust Agreement, as supplemented, being hereinafter called the "SS Trust Agreement") between the Railroad and First Interstate Bank of Denver, N.A., as trustee thereunder (the "SS Trustee");

WHEREAS, the Railroad has subjected the railroad equipment described in Part II of Schedule A hereto to an Equipment Trust Agreement dated as of August 1, 1984, as supplemented by a Supplemental Agreement dated as of March 15, 1985 (such Equipment Trust Agreement, as supplemented, being hereinafter called the "TT Trust Agreement"), between the Railroad and First Interstate Bank of Denver, N.A., as trustee thereunder (the "TT Trustee");

WHEREAS, the Railroad is issuing its 13.375% Equipment Notes due June 5, 1992 (the "Notes"), pursuant to Purchase Agreements dated as of June 1, 1985 (the "Purchase Agreements"), among Rio Grande Industries, Inc., the Railroad and certain institutional investors, a copy of the form of which is annexed hereto as Exhibit B;

WHEREAS, as security for the Notes the Railroad has agreed to grant to the Trustee a security interest in the railroad equipment and proceeds therefrom described in Schedule A hereto and any other railroad equipment subjected to the SS Trust Agreement or the TT Trust Agreement, respectively, pursuant to the terms thereof, subject and subordinate to the prior liens of the SS and TT Trust Agreements;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the Railroad, in consideration of these premises, of the acceptance by the Trustee of the trusts created hereby, of the mutual covenants herein contained, of the purchase and acceptance of

the Notes by the holders thereof, of the sum of \$10 duly paid by the Trustee to the Railroad at or before the delivery of this Agreement and for other valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, and premium, if any, and interest on, all Notes at any time issued and outstanding according to their tenor and effect, and the performance and observance by the Railroad of all the covenants and conditions herein and therein and in the Purchase Agreements, has executed and delivered this Agreement and has granted, bargained, sold, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over, confirmed and warranted, and by these presents does grant, bargain, sell, remise, convey, assign, transfer mortgage, pledge, set over, confirm and warrant, to the Trustee, and to its successors in the trusts and its and their assigns forever, all and singular the railroad equipment described in Schedule A hereto (the "Equipment") and all additional railroad equipment at any time subjected to the SS Trust Agreement and the TT Trust Agreement and all proceeds from the sale and disposition thereof (all such Equipment, railroad equipment and proceeds being hereinafter called the "Collateral"); provided, however, that the interests of the Trustee in and to the Collateral are and shall continue to be subject and subordinate in all respects to the prior rights, titles, interests and remedies of the SS Trustee and TT Trustee under and pursuant to the SS Trust Agreement or the TT Trust Agreement, as the case may be, and the Trustee may not take any action under this Agreement which conflicts or in any way would interfere with such prior rights, titles; interests and remedies.

The Railroad and the Trustee further agree as follows:

1. If any additional railroad equipment is subjected to the SS Trust Agreement or the TT Trust Agreement, the Railroad shall execute and deliver to the Trustee a supplement hereto subjecting such additional railroad equipment to the lien hereof, subject and subordinate to the prior rights, titles, interests and remedies of the SS Trustee or the TT Trustee, as the case may be. Upon release of any Equipment from either the SS Trust Agreement or the TT Trust Agreement pursuant to Section 4.7 thereof, the Trustee shall release such Equipment from the lien hereof.

2. If an event of default shall have occurred and be continuing under the Notes, the Trustee and the holders of the Notes shall, subject and subordinate in all respects

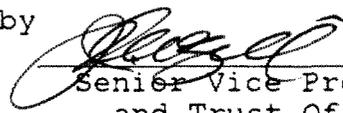
to the prior rights, titles, interests and remedies of the SS Trustee and the TT Trustee, (a) have the same rights and remedies as those expressed in Article VI of the SS Trust Agreement and the TT Trust Agreement and (b) be entitled to the benefit of all of the covenants and agreements set forth in Sections 7.1, 7.3, 7.4 and 7.5 of the SS Trust Agreement and the TT Trust Agreement, in the case of both (a) and (b), in like manner as if the same were set forth in full herein and were made for the benefit of the Trustee and the holders of the Notes, except that all references in said Article or Sections to "Trust Equipment" and "Trust Certificates" shall be deemed to refer to the "Equipment" and the "Notes", respectively.

3. The provisions of Sections 8.1, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10 and 8.11, and all the provisions of Article Nine, of the SS Trust Agreement and the TT Trust Agreement are hereby incorporated herein in like manner as if they were set forth in full herein for the benefit of the Trustee and the holders of the Notes except that the references to "Trust Equipment" and "Trust Certificates" as used in those sections shall be deemed to refer to "Equipment" and "Notes", respectively.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

FIRST INTERSTATE BANK OF
DENVER, N.A., Trustee,

by


Senior Vice President
and Trust Officer

(Corporate Seal)

ATTEST:


Assistant Cashier

THE DENVER AND RIO GRANDE
WESTERN RAILROAD COMPANY,

by W. J. Holtman
President

(Corporate Seal)

ATTEST:

C. E. Schaeffer
Secretary

CITY AND COUNTY OF DENVER,)
) ss.:
 STATE OF COLORADO,)

On this *1st* day of *June*, 1985, before me personally appeared, **JAMES R. CONGILL** to me personally known, who, being by me duly sworn, says that he is a Senior Vice President and Trust Officer of FIRST INTERSTATE BANK OF DENVER, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Karen Sue Johnson
 Notary Public

My Commission expires *10/14/86*

(Notarial Seal)

CITY AND COUNTY OF DENVER,)
) ss.:
 STATE OF COLORADO,)

On this *1st* day of *June*, 1985, before me personally appeared, **W.J. HOLTMAN**, to me personally known, who, being by me duly sworn, says that he is President of THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Karen Sue Johnson
 Notary Public

My Commission expires *10/14/86*

(Notarial Seal)

SCHEDULE A TO SECURITY AGREEMENT

Part I
Railroad Equipment Subject to
SS Trust Agreement

Three hundred fifty 100-ton 3,483 cubic foot open top quadruple hopper cars, bearing equipment numbers D&RGW 12,500-12,849, both inclusive.

Part II
Railroad Equipment Subject to
TT Trust Agreement

Seventeen 3,500 horsepower (SD-50) general purpose diesel electric locomotives (General Motors Corporation, Electromotive Division, builder), bearing equipment numbers D&RGW 5,501-5,517, both inclusive.

PURCHASE AGREEMENT

Dated as of June 1, 1985

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

RIO GRANDE INDUSTRIES, INC.

\$8,039,999 Aggregate Principal Amount 12-5/8%
Series "SS" Equipment Trust Certificates due June 5, 1992

\$14,985,000 Aggregate Principal Amount 12-5/8%
Series "TT" Equipment Trust Certificates due June 5, 1992

\$7,683,000 Aggregate Principal Amount
13.375% Equipment Notes due June 5, 1992

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THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY
RIO GRANDE INDUSTRIES, INC.
P.O. Box 5482
Denver, Colorado 80217

PURCHASE AGREEMENT

Dated as of
June 1, 1985

To each of the several Purchasers
named in Schedule 1 hereto

Dear Sirs:

The undersigned, THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, a Delaware corporation (the "Company"), and RIO GRANDE INDUSTRIES, INC., a Delaware corporation ("RGI"), hereby agree with each of you (sometimes herein collectively the "Purchasers") as follows:

ARTICLE 1. ISSUE OF CERTIFICATES AND NOTES.

SECTION 1.1. The Certificates; The Guarantees; The Notes. RGI and the Company have authorized the secondary sale by RGI to the Purchasers of the Company's Denver and Rio Grande Western Railroad Equipment Trust Certificates, Series "SS", in fully registered form, in an aggregate principal amount of \$8,039,999 (collectively the "Original SS Certificates"), issued pursuant to, and entitled to the benefit and security of, an Equipment Trust Agreement dated as of May 1, 1982 (the "Original SS Agreement"), between The First National Bank of Denver (now First Interstate Bank of Denver, N.A.), as Trustee (the "SS Trustee"), and the Company. Prior to such secondary sale, the Company will amend the terms of the Original SS Agreement and the Original SS Certificates pursuant to a First Supplemental Agreement to be dated as of March 15, 1985, between the SS Trustee and the Company (the Original SS Agreement, as amended by such First Supplemental Agreement, is hereinafter called the "SS Agreement", and the Original SS Certificates, as so amended and together with

the SS Guarantees hereinafter referred to, are hereinafter called the "SS Certificates"). The SS Certificates will mature on June 5, 1992, and will bear interest from the Closing Date hereinafter referred to at the rate of 12-5/8% per annum, payable on December 5 and June 5 of each year, commencing December 5, 1985, to and including June 5, 1992. The SS Certificates will not be subject to redemption or prepayment prior to maturity. The SS Certificates will be unconditionally guaranteed as to principal and interest by the Company pursuant to a guarantee of the Company endorsed on each SS Certificate (the "SS Guarantees"). The SS Agreement shall be substantially in the form of Exhibit A annexed hereto, with such changes therein, if any, as shall be approved by the Purchasers, the Company, RGI and the SS Trustee, and the SS Certificates shall have the terms hereinabove set forth in this Section 1.1 and be substantially in the form of Exhibit E annexed hereto, subject to any changes approved as aforesaid. The terms used in this Agreement which are defined in the SS Agreement shall have the meanings specified therein, unless the context of this Agreement otherwise requires or unless such terms are otherwise defined herein.

RGI and the Company have authorized the secondary sale by RGI to the Purchasers of the Company's Denver and Rio Grande Western Railroad Equipment Trust Certificates, Series "TT", in fully registered form, in an aggregate principal amount of \$14,985,000 (collectively the "Original TT Certificates"), issued pursuant to, and entitled to the benefit and security of, an Equipment Trust Agreement dated as of August 1, 1984 (the "Original TT Agreement"), between First Interstate Bank of Denver, N.A., as Trustee (the "TT Trustee"), and the Company. Prior to such secondary sale, the Company will amend the terms of the Original TT Agreement and the Original TT Certificates pursuant to a First Supplemental Agreement to be dated as of March 15, 1985, between the TT Trustee and the Company (the Original TT Agreement, as amended by such First Supplemental Agreement, is hereinafter called the "TT Agreement", and the Original TT Certificates, as so amended and together with the TT Guarantees hereinafter referred to, are hereinafter called the "TT Certificates"). The TT Certificates will mature on June 5, 1992, and will bear interest from the Closing Date hereinafter referred to at the rate of 12-5/8% per annum, payable on June 5 and December 5 of each year, commencing December 5, 1985, to and including June 5, 1992. The TT Certificates will not be subject to redemption or prepayment prior to maturity. The TT Certificates will be unconditionally guaranteed as to principal and interest by

the Company pursuant to a guarantee of the Company endorsed on each TT Certificate (the "TT Guarantees"). The TT Agreement shall be substantially in the form of Exhibit B annexed hereto, with such changes therein, if any, as shall be approved by the Purchasers, the Company, RGI and the TT Trustee, and the TT Certificates shall have the terms hereinabove set forth in this Section 1.1 and be substantially in the form of Exhibit F annexed hereto, subject to any changes approved as aforesaid. The terms used in this Agreement which are defined in the TT Agreement shall have the meanings specified therein, unless the context of this Agreement otherwise requires or unless such terms are otherwise defined herein.

The Company has authorized the issuance and sale to the Purchasers of its 13.375% Equipment Notes due June 5, 1992, in fully registered form, in an aggregate principal amount of \$7,683,000 (the "Notes"), to be issued pursuant to, and entitled to the benefit and security of, a Security Agreement to be dated as of June 1, 1985 (the "Security Agreement"), between First Interstate Bank of Denver, N.A., as Trustee (the "Note Trustee"), and the Company. The Notes will mature on June 5, 1992, and will bear interest from the Closing Date hereinafter referred to at the rate of 13.375% per annum, payable on June 5 and December 5 of each year, commencing December 5, 1985, to and including June 5, 1992. The Security Agreement shall be substantially in the form of Exhibit C annexed hereto, with such changes therein, if any, as shall be approved by the Purchasers, the Company and the Note Trustee, and the Notes shall have the terms hereinabove set forth in this Section 1.1 and be substantially in the form of Exhibit D annexed hereto, subject to any changes approved as aforesaid. The terms used in this Agreement which are defined in the Security Agreement and the Notes shall have the meanings specified therein, unless the context of this Agreement otherwise requires or unless such terms are otherwise defined herein.

The SS Certificates and the TT Certificates are sometimes hereinafter called the "Certificates"; the SS Agreement and the TT Agreement are sometimes hereinafter called the "Trust Agreements"; and the SS Trustee, the TT Trustee and the Note Trustee are sometimes hereinafter called the "Trustees".

SECTION 1.2. Sale and Purchase of the Certificates and Notes; Delivery and Payment. Subject to the terms and conditions herein set forth, the Company and RGI jointly and severally agree to sell or cause to be sold

to each Purchaser, and each Purchaser, severally and not jointly, agrees to purchase, the aggregate principal amount of SS Certificates, TT Certificates and Notes specified opposite such Purchaser's name in Schedule 1 hereto at a purchase price equal to 100% of the principal amount thereof. The SS Certificates, TT Certificates and Notes will be sold and delivered in the amounts specified in Schedule 1 hereto at a closing (the "Closing") to be held at the offices of Cravath, Swaine & Moore, One Chase Manhattan Plaza, New York, New York 10005, at 11:00 a.m., New York City time (the date and time of such closing being hereinafter referred to as the "Closing Date"). The Closing Date shall be June 5, 1985, or such other date (not later than 30 calendar days thereafter) as shall be agreed upon by the Purchasers, RGI and the Company.

On the Closing Date, the Company will deliver or cause to be delivered to each Purchaser one (except as provided in the next sentence) duly executed SS Certificate, TT Certificate and Note dated the Closing Date, in the respective principal amounts specified opposite such Purchaser's name in Schedule 1 hereto and registered in its name or to order, as such Purchaser shall direct (or in such other name or names and authorized denominations as may be designated by it in writing at least three business days prior to the Closing Date), against payment therefor (which may be made either directly by such Purchaser or through one or more agents designated by it to make payment for and take delivery of such SS Certificates, TT Certificates or Notes on its behalf) in immediately available funds, payable (a) in the case of the Certificates, to RGI, and (b) in the case of the Notes, to the Company. If, for any Purchaser with respect to any Certificate or Note to be issued to it at the Closing, the principal amount reflected in Schedule 1 is not an even multiple of \$1,000, then, notwithstanding any provision to the contrary in this Agreement, the form of SS Certificate, TT Certificate or Note or in the SS Agreement or TT Agreement, each Purchaser hereunder may receive at the Closing, and the Company and the Trustees are authorized and empowered to issue or cause to be issued to such Purchaser at the Closing, one additional SS Certificate, one additional TT Certificate and one additional Note in a denomination other than \$1,000 or a multiple thereof.

ARTICLE 2. GENERAL REPRESENTATIONS AND WARRANTIES.

SECTION 2.1. Representations and Warranties of RGI and the Company. The Company and RGI jointly and severally represent and warrant to each Purchaser as follows (provided, however, that the representations and warranties in this Article 2 with respect to RGI shall be deemed to be made only severally by RGI):

(a) Corporate Organization and Authority. The Company and RGI are duly organized and validly existing

corporations in good standing under the laws of the State of Delaware, and the Company has the corporate power and authority to own its properties and operate its business as now conducted and as presently proposed to be conducted and is duly qualified and/or licensed to transact business in, and is in good standing in, every jurisdiction in which it transacts business and wherein such qualification and/or licensing is required. The Company has full power, authority and legal right to execute and deliver this Agreement, the Trust Agreements, the Certificates, the Security Agreement and the Notes, and to perform and observe the terms and conditions of each thereof. RGI has full power, authority and legal right to execute and deliver this Agreement and to perform and observe the terms and conditions hereof.

(b) Financial Statements and Other Information; Financial Condition. The Company has heretofore delivered to each Purchaser true and correct copies of (i) its consolidated balance sheet, as at December 31, for the years 1983 and 1984, and its related consolidated statements of income and stockholder's equity for the years then ended and (ii) its unaudited consolidated balance sheet as at March 31, 1985, and unaudited consolidated statements of income and stockholder's equity for the three-month periods ended March 31, 1984 and 1985. All such financial statements are correct and complete and present fairly the financial condition of the Company as at the respective dates of the balance sheets included therein and the results of operations for the periods covered by the statements of income included therein. Such financial statements have been prepared in conformity with the accounting requirements of the Interstate Commerce Commission applied on a consistent basis during such periods (subject to any exceptions stated therein and in the notes thereto or as otherwise disclosed in writing).

(c) Title. The Company has good title to all the Trust Equipment, free and clear of any and all liens, charges, security interests, pledges, options or other encumbrances ("Liens") whatsoever, other than the Trust Agreements and the Security Agreement. RGI has good title to the Certificates, free and clear of any and all Liens whatsoever. Upon delivery of the Certificates at the Closing and payment therefor by the Purchasers as provided in Section 1.2, the Purchasers will acquire good title thereto, free and clear of any and all Liens whatsoever.

(d) Pending Litigation. There are no (i) actions at law or suits in equity (whether or not purportedly on behalf of the Company), pending or, to the knowledge of the

Company or RGI, threatened against or affecting the Company or its assets or (ii) proceedings by or before any governmental commission, bureau or other administrative agency pending or, to the knowledge of the Company or RGI, threatened against the Company, which, in either case if adversely determined, would materially and adversely affect the business, earnings, properties or condition, financial or otherwise, of the Company or the ability of the Company to pay, when due, the rentals provided for in the Trust Agreements or the payments provided for in the Notes or the ability of the Company or RGI to perform their respective obligations hereunder, or the ability of the Company to perform its obligations under the Certificates, the Trust Agreements, the Notes or the Security Agreement.

Notwithstanding the foregoing, RGI and the Company are hereby disclosing that in connection with the pending merger proceedings before the Interstate Commerce Commission brought by the Southern Pacific Railroad and the Atchison, Topeka & Santa Fe Railway Company, the Company has filed an inconsistent application on the justification that the merger could have an anticompetitive effect on competitive routes, including the Company's, for the movement of transcontinental traffic. In that application, the Company is seeking to purchase certain properties of the Southern Pacific Railroad. The effect of the denial by such Commission of such application cannot be determined on the date hereof.

(e) Corporate Proceedings. The Company and RGI have or will have taken, on or before the Closing Date, all corporate proceedings necessary to be taken to authorize the execution and delivery of this Agreement, the Trust Agreements and the Security Agreement, the issuance, sale and delivery of the Certificates and the Notes and the performance of all obligations on their part to be performed hereunder and thereunder; and the execution and delivery of this Agreement, the Trust Agreements, the Certificates, the Security Agreement and the Notes and the consummation of the transactions herein and therein contemplated, and the fulfillment of the terms hereof and thereof by the Company and RGI will not (i) result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, credit agreement, or other agreement or instrument to which the Company or RGI or any of their Affiliates is now a party or by which the Company or RGI or any of their Affiliates is bound, or the Certificate of Incorporation or By-laws of the Company or RGI or any of their Affiliates, as presently in effect, or any order, rule or regulation of any Federal, state, county,

municipal or other regulatory board or body or administrative agency having jurisdiction over the Company or RGI or any of their Affiliates or over their properties, or (ii) result in the creation or imposition of any Lien upon any of the properties or assets of the Company or RGI or any of their Affiliates except as provided by the Trust Agreements and the Security Agreement. RGI has duly consented to the amendments of the terms of the Original SS Agreement, the Original TT Agreement, the Original SS Certificates and the Original TT Certificates contemplated in Section 1.1 hereof. For purposes of this paragraph (e), "Affiliate" of the Company or RGI shall mean any corporation or other person which, directly or indirectly, controls or is controlled by, or is under common control with, the Company or RGI ("control", "controlled by" and "under common control with" shall have the meanings set forth in Article I of the Trust Agreements).

(f) No Defaults. No event has occurred and no condition exists which, upon the issue by the Company or the transfer by RGI of any Certificates or Notes, would constitute an event of default under the Trust Agreements or the Notes, or with the lapse of time or the giving of notice or both, would become such an event of default. The Company is not in violation in any material respect of any term of its Certificate of Incorporation or By-laws or any indenture, equipment trust agreement, conditional sale agreement, mortgage, deed of trust, credit agreement, lease or other agreement or instrument to which it is a party or by which it is bound.

(g) No Adverse Contracts or Restrictions. The Company is not a party to or bound by any contract or agreement or subject to any regulatory order, writ, injunction, judgment, decree or other action of any court, or other governmental or public authority or agency, or the award of any arbitrator or any charter or other corporate or contractual restriction which materially and adversely affects, or in the future may (so far as the Company and RGI can now foresee) materially and adversely affect, the business, earnings, properties or condition, financial or otherwise, of the Company, subject to the last three sentences of Section 2.1(d).

(h) Governmental Approvals. No authorization or approval of any governmental agency or commission or public or quasi-public body or authority of the United States of America, any state thereof or the District of Columbia, or of any department or subdivision of any such state or the

District of Columbia is necessary for the due execution and delivery of this Agreement, the Trust Agreements, the Certificates, the Security Agreement or the Notes or for the validity or enforceability of any thereof or for the creation, issuance, sale or delivery of the Certificates or the Notes or the validity, payment or enforceability of the Certificates or the Notes, except for the authorization of the Interstate Commerce Commission, which has been duly obtained.

(i) Taxes. All Federal, state and other tax returns of the Company required by law to be filed have been correctly prepared and duly filed and all Federal, state and other taxes, assessments, fees and other governmental charges upon the Company or upon any of its properties or assets which are due and payable have been paid, except any such taxes, assessments, fees and other governmental charges which have not been paid while being contested in good faith, as to which adequate book reserves have been established in accordance with generally accepted accounting principles and the Company's title to, and its right to use, its property are not materially adversely affected thereby. There are no Liens on any properties or assets of the Company imposed or arising as a result of the delinquent payment or nonpayment of any such tax, assessment, fee or other governmental charge. United States income tax returns for the Company have been audited by the Internal Revenue Service (or the applicable statutes of limitation with respect to such tax obligations have expired) for the fiscal year ended December 31, 1980, and all prior fiscal years. The charges, accruals and reserves on the books of the Company in respect of Federal and state taxes for all fiscal years are adequate and the Company does not know of any additional assessments for such years or any basis therefor.

(j) No Margin Regulation Violation. The Company has used the proceeds from the sale of the Original SS Certificates and Original TT Certificates and will use the proceeds of the sale of the Notes to finance 100% of the cost of the Trust Equipment. The Company does not own, directly or indirectly, and does not have the present intention of acquiring or owning in the future, any "margin security" as such term is defined in Regulation G of the Board of Governors of the Federal Reserve System, as currently in effect (12 C.F.R., Part 207). The Company will not use any part of the proceeds from the sale of the Certificates and the Notes, directly or indirectly, to "purchase or carry" (within the meaning of said Regulation G) any margin security or to reduce or retire any

indebtedness originally incurred to "purchase or carry" any such margin security. None of the transactions contemplated by this Agreement or the Trust Agreements or the Security Agreement (including, without limitation, the direct or indirect use of the proceeds from the sale of the Notes or the Certificates) will violate or result in the violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulations issued pursuant thereto, including, without limitation, said Regulation G and Regulations T and X of said Board of Governors, as currently in effect (12 C.F.R., Parts 220 and 224, respectively).

(k) No Material Adverse Change. Since March 31, 1985, there have been no changes in the condition (financial or otherwise) of the Company or in its business, earnings or properties (whether or not arising from transactions in the ordinary course of business) which, individually or in the aggregate, have been materially adverse to the Company, subject to the last three sentences of Section 2.1(d).

(l) Full Disclosure. Neither the reports and financial statements referred to in Section 2.1(b) hereof, this Agreement, nor any certificate, report, statement or memorandum furnished to any Purchaser by the Company or RGI, or their investment banker, in connection with the negotiation of the sale of the Certificates and the Notes contains any untrue statement of a material fact or, taken as a whole, omits to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Company or RGI has not disclosed to the Purchasers in writing which materially and adversely affects or in the future may (so far as the Company and RGI can now foresee) materially and adversely affect the business, earnings, properties or condition (financial or otherwise) of the Company, or the ability of the Company to perform its obligations under the Trust Agreements, the Certificates, the Security Agreement, the Notes or this Agreement.

(m) Not an Investment Company. The Company is not an "investment company" or a company controlled by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(n) Useful Life of Trust Equipment. Each unit of Trust Equipment subject to the SS Agreement and the TT Agreement, respectively, has a useful life of at least 20 years from the date of the Original SS Agreement and the Original TT Agreement, respectively, and the present fair

market value of all the Trust Equipment is in excess of \$30,707,999.

(o) Purchasers. The Company and RGI have contemporaneously executed and delivered counterparts of this Agreement identical with this counterpart of this Agreement to each of the Purchasers, each of whom is representing to the Company and RGI that it is purchasing its Certificates and Notes for investment and not with a view to the distribution thereof. The aggregate principal amount of Certificates and Notes to be sold to the Purchasers is \$30,707,999, but the sale to each Purchaser is to be a separate sale made to such Purchaser and the obligations of the Purchasers hereunder shall be several and not joint, and this Agreement shall for all purposes be construed and deemed to be a separate agreement between the Company and RGI and each such Purchaser, acting severally and not jointly, with the same effect as though a separate agreement with each such Purchaser to the effect herein provided were hereby entered into between the Company and RGI and such Purchaser.

(p) Offerees. Neither the Company nor RGI has, either directly or through any agent, broker or dealer, offered any of the Certificates or Notes or similar securities for sale to, or solicited any offers to buy any thereof from, or otherwise approached or negotiated in respect thereof with, any entity other than the Purchasers and a limited number of other institutions.

SECTION 2.2. Representations and Warranties of Purchasers. Each Purchaser severally represents and warrants to the Company and RGI as follows:

(a) Investment. Each Purchaser is purchasing its Certificates and Notes for its own account for investment and not with a view to the distribution thereof, and has no present intention of distributing the same; provided, however, that the disposition of its property shall be at all times within its own control.

(b) ERISA. Each Purchaser which is an insurance company, unless it has disclosed to the Company and RGI that the funds to be used by it to pay the purchase price of the Certificates and Notes to be purchased by it hereunder come from a separate account and are the assets of a designated employee benefit plan or designated employee benefit plans, represents and

warrants that either (i) no part of the funds to be used by it to pay such purchase price constitutes assets allocated to any separate account maintained by it or (ii) no part of the funds to be used by it to pay such purchase price constitutes assets allocated to any separate account maintained by it such that the application of such funds may constitute a nonexempt prohibited transaction under Section 406(a) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If any Purchaser has disclosed to the Company and RGI that the funds to be used by it to pay such purchase price come from a separate account and constitute assets of a designated employee benefit plan or designated employee benefit plans, the Company and RGI hereby jointly and severally represent, in reliance upon and subject to the accuracy of such disclosure, that the purchase by such Purchaser of its Certificates and Notes pursuant thereto will not involve a prohibited transaction under Section 406(a) of ERISA. As used in this Section 2.2(b) the terms "separate account" and "employee benefit plan" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

ARTICLE 3. CONDITIONS OF OBLIGATION TO PURCHASE.

On the Closing Date, the obligation of each Purchaser to purchase and pay for its Certificates and Notes shall be subject to the satisfaction prior to or concurrently with such purchase and payment of the following conditions (all of which shall be deemed to be material):

SECTION 3.1. Representations True. The representations and warranties of the Company and RGI contained in Article 2 hereof, and in the Trust Agreements and the Security Agreement, shall be true on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date; and the Company and RGI shall have delivered to each Purchaser certificates, dated the Closing Date, signed by the President and the comptroller or principal financial officer of the Company and RGI to that effect.

SECTION 3.2. Performance of Company's and RGI's Obligations. The Company and RGI shall have performed all of their obligations required to be performed on or prior to the Closing Date hereunder and under the Trust Agreements and the Security Agreement on or prior to the Closing Date,

and each Purchaser shall have received certificates, dated the Closing Date, signed by the President and the comptroller or principal financial officer of the Company and RGI to that effect.

SECTION 3.3. Opinion of Special Counsel. Each Purchaser shall have received from Cravath, Swaine & Moore, One Chase Manhattan Plaza, New York, New York 10005, who are acting as special counsel for the Purchasers ("Special Counsel") in connection with the transactions contemplated by this Agreement, an opinion dated the Closing Date and in form and substance satisfactory to each Purchaser, to the effect that:

(a) this Agreement has been duly authorized, executed and delivered by the Company and RGI and constitutes a legal, valid and binding obligation of the Company and RGI enforceable in accordance with its terms;

(b) the Trust Agreements and the Security Agreement have been duly authorized, executed and delivered by the Company and constitute legal, valid and binding obligations of the Company enforceable in accordance with their respective terms;

(c) the Trust Agreements and the Security Agreement have been duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303 and no other filing or recordation is necessary for the protection of the rights of the Trustees in and to the Trust Equipment that is subject to each such agreement in any state of the United States of America or the District of Columbia;

(d) the rights of the Trustees to repossess the Trust Equipment under the Trust Agreements are entitled to the special protection provided by § 1168 of the Bankruptcy Code;

(e) the Certificates and the Notes have been duly authorized, executed, issued and delivered by the Trustees and the Company, respectively, and constitute legal and valid obligations binding upon the Trustees and the Company, respectively, entitling the holders thereof to the rights therein specified; the Certificates are entitled to the benefits and security of the Trust Agreements; and the Notes are entitled to the benefits and security of the Security Agreement;

(f) the SS Guarantees and the TT Guarantees endorsed on the Certificates have been duly authorized, executed, issued and delivered by the Company and constitute legal and valid obligations binding upon the Company;

(g) it is not necessary, in connection with the issuance and delivery of the Certificates and the Notes under the circumstances contemplated by this Agreement, the Trust Agreements and the Security Agreement, to register the Certificates or the Notes under the Securities Act of 1933, as in effect on the date of such opinion, or to qualify the Trust Agreements or the Security Agreement under the Trust Indenture Act of 1939, as in effect on the date of such opinion;

(h) no authorization or approval from any government agency or public or quasipublic body or authority of the United States of America, any state thereof or the District of Columbia, or of any department or subdivision of any such state or the District of Columbia is necessary for the due execution and delivery by the Company and RGI of this Agreement or by the Company of the Trust Agreements or the Security Agreement or for the validity or enforceability of any thereof against the Company or RGI or for the creation, issuance, sale or delivery of the Certificates or the Notes or for the validity, payment or enforceability of the Certificates or the Notes, or any other action on the part of the Company or RGI contemplated by this Agreement, except for the authorization of the Interstate Commerce Commission, which has been duly obtained;

(i) the opinion of counsel referred to below in Section 3.4 is satisfactory in form and scope to such Special Counsel; and

(j) such other matters as any Purchaser may reasonably request.

It is understood that in giving the foregoing opinion, Special Counsel may state that, insofar as such opinion relates to enforceability, it is limited by the effects of bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally from time to time in effect. Special Counsel also may rely on (i) the opinion of counsel for the Company and RGI as to actions by the Company or RGI with respect to the authorization, execution and delivery by the Company or RGI

of this Agreement, the Trust Agreements, the Certificates, the Security Agreement and the Notes, and as to all matters of law of jurisdictions other than the United States or the State of New York or the Delaware General Corporation Law involved in said opinion and (ii) the documentation provided pursuant to Section 3.5 with respect to the authorization, execution and delivery by the Trustee of the Trust Agreements, the Certificates and the Security Agreement.

SECTION 3.4. Opinion of Counsel for the Company and RGI. Each Purchaser shall have received from Samuel R. Freeman, Esq., counsel for the Company and RGI, an opinion, dated the Closing Date and in form and substance satisfactory to each Purchaser and to Special Counsel, to the effects set forth in subparagraphs (a), (c), (e), (h) and (m) of Section 2.1 hereof and subparagraphs (a), (b), (c), (d), (e), (f) and (h) of Section 3.3 hereof; and such opinion shall also cover such other matters as any Purchaser or Special Counsel may reasonably request. It is understood that in giving such opinion, such counsel may state that, insofar as such opinion relates to (i) enforceability, it is limited by the effects of bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally from time to time in effect, (ii) The Anschutz Corporation and its subsidiaries (other than RGI and the Company and their subsidiaries), such counsel is relying on the opinion dated the closing date and addressed to him of Robert F. Starzel, Esq., counsel for The Anschutz Corporation, and (iii) any laws other than the laws of the State of Colorado, the Federal laws of the United States of America or the General Corporation Law of the State of Delaware, such counsel expresses no opinion except that he is not aware of any requirements imposed by any such other law and not complied with, but that he has not engaged in any special research with respect thereto.

SECTION 3.5. Trustees' Certificates. Each Purchaser shall have received from the Trustees such certificates and other documents as it may reasonably request, in each case dated the Closing Date and in form and scope satisfactory to it and Special Counsel, as shall be necessary to establish to such Purchaser's reasonable satisfaction the due authorization, execution and delivery by the Trustees of the Trust Agreements, the Certificates and the Security Agreement, and the acquisition of the Trust Equipment pursuant to the Trust Agreements.

SECTION 3.6.. Sale to Other Purchasers. On the Closing Date, each Purchaser shall purchase the principal amount of Trust Certificates and Notes specified then to be purchased by it on Schedule 1 hereto.

SECTION 3.7. Proceedings, Instruments, etc. All proceedings taken on or prior to the Closing Date in connection with the transactions contemplated by this Agreement and all instruments incident thereto shall be satisfactory in form and substance to each Purchaser and Special Counsel; and each Purchaser and the Trustees shall have received copies of all such documents which any of them may reasonably request in connection with such proceedings and transactions, in form and substance satisfactory to each Purchaser and Special Counsel.

SECTION 3.8. Legality. The Certificates and the Notes shall on the Closing Date qualify as a legal investment for insurance companies under the New York Insurance Law.

ARTICLE 4. EXPENSES.

Whether or not the Certificates and Notes are sold or this Agreement, the Trust Agreements or the Security Agreement are terminated, the Company will pay all expenses relating to this Agreement, the Trust Agreements, the Certificates, the Security Agreement or the Notes or to any modification, amendment or alteration of this Agreement, the Trust Agreements, the Certificates, the Security Agreement or the Notes, including, without limitation, any broker's or finder's fees or commissions of any entity (including, without limitation, Morgan Stanley & Co. Incorporated) which may be payable in connection therewith and the reasonable fees and disbursements of Special Counsel.

ARTICLE 5. PURCHASERS' SPECIAL RIGHTS.

Notwithstanding any provision to the contrary in this Agreement, the Trust Agreements, the Certificates, the Security Agreement or the Notes, the Company will punctually pay (or cause the Trustees punctually to pay) in immediately available funds on or before 11:00 a.m., New York time, on the date due (without taking advantage of any grace period, if any, provided for in the Trust Agreements, the Security Agreement, the Certificates or the Notes) all amounts payable to each Purchaser with respect to any Certificates

or Notes held by it or its nominee (without any presentment thereof and without any notation of such payment being made thereon) by crediting by wire transfer its bank account as shown in Schedule 1 hereto, or in any other manner it may hereafter direct in writing; provided, however, that, upon the payment of any Certificate or Note in whole, the amount due thereon shall be paid to the Purchaser which is the holder thereof in the manner above provided in consideration of its agreement to surrender such Certificate or Note at the Principal Office of the applicable Trustee within 30 days after receipt of such payment. Each Purchaser agrees that if it sells, assigns or transfers any Certificate or Note, prior to any such sale, assignment or transfer, it will either (x) make a proper notation thereon of the amount of principal and dividends or interest paid thereon or (y) surrender such Certificate or Note at the Principal Office of the applicable Trustee against receipt of one or more Certificates or Notes in an aggregate principal amount equal to the unpaid portion of the Certificate or Note so surrendered and dated the date to which interest has been paid on such Certificate or Note, or if no interest has as yet been so paid, then dated the date of such Certificate or Note so surrendered. The Company hereby appoints the Note Trustee as agent for the purposes hereinabove set forth in this Article 5 and as registrar and transfer agent for the Notes.

ARTICLE 6. INFORMATION TO BE FURNISHED TO CERTIFICATE AND NOTE HOLDERS.

SECTION 6.1. Financial Statements. The Company agrees that it will deliver to each Purchaser, if at the time it or its nominee holds any Certificate or Note, and to each other registered holder ("Holder") of any outstanding Certificate or Note:

(a) as soon as practicable and, in any case, within 90 days after the close of each fiscal year, two copies of the consolidated balance sheet of the Company setting forth its consolidated financial condition as at the end of such fiscal year, together with consolidated and consolidating statements of income, stockholder's equity and changes in financial position of the Company for such fiscal year, setting forth in each case in comparative form the figures for the preceding fiscal year, all in reasonable detail, such consolidated balance sheet and consolidated statements of income, stockholder's equity and changes in financial

position to be accompanied by an opinion with respect thereto of independent public accountants of recognized national standing, who may be the present regular auditors of the books of the Company, which opinion shall state that such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application in which such accountants concur);

(b) as soon as practicable and, in any case, within 45 days after the end of the first, second and third quarterly accounting periods in each fiscal year, an unaudited consolidated balance sheet of the Company as at the end of such accounting period, an unaudited consolidated statement of income, stockholder's equity and changes in financial position of the Company for such period and for the fiscal year to date, setting forth in each case in comparative form the figures for the corresponding periods a year earlier, all in reasonable detail, accompanied by a certificate signed by the comptroller or principal financial officer of the Company stating that such financial statements fairly present the consolidated financial condition and results of operations of the Company and have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application in which the Company's independent accountants concur);

(c) with reasonable promptness, such other information as to the business and properties of the Company as any Purchaser or any other Holder may from time to time reasonably request; and

(d) forthwith upon the President, any Vice President, the Comptroller, any Assistant Comptroller, the Treasurer or any Assistant Treasurer of the Company obtaining knowledge of a default under this Agreement, the Trust Agreements, the Certificates, the Security Agreement or the Notes or of an event of default (or event which, with the giving of notice or the lapse of time, or both, would constitute such a default or event of default), or of a claim by a Holder of Certificates or Notes of any of the foregoing, an Officer's Certificate specifying the nature thereof, the period of existence thereof, and what action the Company proposes to take with respect thereto.

SECTION 6.2. Officer's Certificate. Each set of financial statements delivered pursuant to Section 6.1(a) will be accompanied by a certificate signed by the President, a Vice President or the comptroller or principal financial officer of the Company stating that a review of the activities of the Company during such year has been made under his supervision with a view to determining whether the Company has kept, observed, performed and fulfilled all its obligations under this Agreement, the Trust Agreements, the Certificates, the Security Agreement and the Notes and that to the best of his knowledge the Company during such year has kept, observed, performed and fulfilled each and every covenant, obligation and condition contained herein and in the Trust Agreements, the Certificates, the Security Agreement and the Notes or, if the Company shall have been or shall be in default or if an event has occurred or is continuing which, with the giving of notice or the passage of time or both, could constitute a default or event of default, specifying all such defaults and events and the nature and status thereof.

SECTION 6.3. Inspection. While any Purchaser or its nominee holds any Certificates or Notes, its representative or representatives and the Trustees may visit and inspect any of the properties of the Company, and may examine all the books of account, records, reports and other papers of the Company or RGI, make copies and extracts therefrom, and discuss the affairs, finances and accounts of either with its officers or its independent public accountants, all at such reasonable times and as often as may be reasonably requested.

ARTICLE 7. INTERPRETATION OF AND CHANGES TO AGREEMENT.

SECTION 7.1. New York Law. This Agreement shall be governed by and construed in accordance with the law of the State of New York.

SECTION 7.2. Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof.

SECTION 7.3. No Oral Changes. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

ARTICLE 8. MISCELLANEOUS.

SECTION 8.1. Notices. All notices, demands, statements and other communications hereunder shall be in writing and shall be deemed to have been duly given five days after the mailing thereof if sent postage prepaid by certified mail (return receipt requested) or when delivered in person. Each such communication should be addressed: (a) if to one of the Purchasers, at its address shown on Schedule 1 hereto, marked for attention as there indicated, or at such other address listed in the books for the registration and registration of transfer of Certificates and Notes maintained pursuant to Section 8.3 of the Trust Agreements or Section 3 of the Security Agreement, as applicable, or at such other address as it may have furnished the Company and the Trustees in writing; (b) if to any other Holder of a Trust Certificate or Note, at the registered address of such Holder set forth in the register kept by the applicable Trustee at the Principal Office maintained for the purpose of registration of Certificates or Notes, or at such other address as hereinafter may be furnished to the Company and the Trustees in writing by such Holder; (c) if to the Trustee, at the applicable Principal Office; or (d) if to the Company or RGI, at the address shown at the beginning of this Agreement, to the attention of their General Counsel, or at such other address as either may have furnished in writing to each Purchaser, the Trustees and all other Holders of the Certificates and Notes at the time outstanding.

SECTION 8.2. Survival. All warranties, representations, and covenants made by the Company and RGI herein or in the Trust Agreements, the Certificates, the Security Agreement or the Notes or in any certificate or other instrument delivered by them or on their behalf under this Agreement or the Trust Agreements or the Security Agreement shall be considered to have been relied upon by the Purchasers and shall survive the delivery to the Purchasers of the Certificates or the Notes regardless of any investigation made by any of them or on behalf of any of them. All statements in any such certificate or other instrument shall constitute warranties and representations by the Company or RGI, as the case may be, hereunder.

SECTION 8.3. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto except that each Purchaser's obligation to purchase the Certificates and Notes (as provided in Section 1.2) shall be

a right which is personal to the Company and RGI and such right shall not be transferable or assignable by the Company or RGI to any other person (including successors at law) whether voluntarily or involuntarily. The provisions of this Agreement are intended to be for the benefit of all Holders, from time to time, of the Certificates and Notes, and shall be enforceable by any Holder, whether or not an express assignment of rights under this Agreement has been made by any Purchaser or its successors or assigns.

SECTION 8.4. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

SECTION 8.5. Reproduction of Documents. This Agreement and all related documents, including (a) consents, waivers and modifications which may subsequently be executed, (b) documents received by any Purchaser at the Closing (except the Certificates and Notes themselves), and (c) financial statements, certificates and other information previously or subsequently furnished to any Purchaser, may be reproduced by any Purchaser by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and any Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that any such reproduction shall, to the extent permitted by applicable law, be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not the reproduction was made by any Purchaser in the regular course of business) and that any enlargement, facsimile or further reproduction of the reproduction shall likewise be admissible in evidence.

If the foregoing is satisfactory, please sign the form of acceptance on the enclosed counterpart or counterparts hereof and return the same to the Company, whereupon this letter, as so accepted, shall become a binding agreement by and among the Purchasers, RGI and the Company.

Very truly yours,

THE DENVER AND RIO GRANDE
WESTERN RAILROAD COMPANY,

by

RIO GRANDE INDUSTRIES, INC.,

by _____

The foregoing Agreement is hereby
accepted.

AETNA LIFE INSURANCE COMPANY,
for LTG and Segment 3,

by _____

THE AETNA CASUALTY AND SURETY COMPANY,

by _____

LUTHERAN BROTHERHOOD,

by _____

ZURICH INSURANCE COMPANY,

by _____

This Schedule to the foregoing Purchase Agreement sets forth the names and addresses of the several Purchasers and the principal amount of Certificates and Notes to be purchased by each Purchaser on the Closing Date.

<u>Name and Address of Purchaser</u>	<u>Principal Amount of SS Certificates</u>	<u>Principal Amount of TT Certificates</u>	<u>Principal Amount of Notes</u>
Aetna Life Insurance Company - LTG (for one or more separate accounts maintained by it which shall, for purposes of the Purchase Agreement, be deemed the Holders of the Certificates and Notes)	\$2,216,806	\$4,131,697	\$2,144,763

All payments on account of principal and/or dividends or interest shall be made by crediting (in the form of bank wire transfer of immediately available funds) the Account No. 000-45-764, of Aetna Life Insurance Company in Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, attention of Money Transfer Department, with sufficient information to identify the source and application of such funds.

In case of all notices in respect of payment and written confirmation of such wire transfer:

<u>Name and Address of Purchaser</u>	<u>Principal Amount of SS Certificates</u>	<u>Principal Amount of TT Certificates</u>	<u>Principal Amount of Notes</u>
Aetna Life Insurance Company - LTG CityPlace Hartford, Connecticut 06156 Attention of Securities Operation, YF44 In case of notices in respect of quarterly and annual financial statements:			
Aetna Life Insurance Company - LTG CityPlace Hartford, Connecticut 06156 Attention of Records Unit, Bond Investment Department, YFC4 All other communications to:			
Aetna Life Insurance Company - LTG CityPlace Hartford, Connecticut 06156 Attention of Bond Investment Department, YFC4 Aetna Life Insurance Company - Segment 3 (for one or more separate accounts maintained by it which shall, for purposes of the Purchase Agreement, be deemed the Holders of the Certificates and Notes)	\$1,798,354	\$3,351,783	\$1,700,000

<u>Name and Address of Purchaser</u>	<u>Principal Amount of SS Certificates</u>	<u>Principal Amount of TT Certificates</u>	<u>Principal Amount of Notes</u>
<p>All payments on account of principal and/or dividends or interest shall be made by crediting (in the form of bank wire transfer of immediately available funds) the Account No. 000-45-764, of Aetna Life Insurance Company in Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015, attention of Money Transfer Department, with sufficient information to identify the source and application of such funds.</p> <p>In case of all notices in respect of payment and written confirmation of such wire transfer:</p> <p>Aetna Life Insurance Company - Segment 3 CityPlace Hartford, Connecticut 06156</p> <p>Attention of Securities Operation, YF44</p> <p>In case of notices in respect of quarterly and annual financial statements:</p> <p>Aetna Life Insurance Company - Segment 3 CityPlace Hartford, Connecticut 06156 Attention of Records Unit, Bond Investment Department, YFC4</p>			

<u>Name and Address of Purchaser</u>	<u>Principal Amount of SS Certificates</u>	<u>Principal Amount of TT Certificates</u>	<u>Principal Amount of Notes</u>
All other communications to:			
Aetna Life Insurance Company - Segment 3 CityPlace Hartford, Connecticut 06156			
Attention of Bond Investment Department, YFC4			
The Aetna Casualty and Surety Company (for one or more separate accounts maintained by it which shall, for purposes of the Purchase Agreement, be deemed the Holders of the Certificates and Notes)	\$950,074	\$1,770,753	\$900,000

All payments on account of principal and/or dividends or interest shall be made by crediting (in the form of bank wire transfer of immediately available funds) the Account No. 000-42-948, of The Aetna Casualty and Surety Company in Morgan Guaranty Trust Company of New York, N.Y. 10015, attention of Money Transfer Department, with sufficient information to identify the source and application of such funds.

<u>Name and Address of Purchaser</u>	<u>Principal Amount of SS Certificates</u>	<u>Principal Amount of TT Certificates</u>	<u>Principal Amount of Notes</u>
In case of all notices in respect of payment and written confirmation of such wire transfer:			
The Aetna Casualty and Surety Company CityPlace Hartford, Connecticut 06156			
Attention of Securities Operation, YF44			
In case of notices in respect of quarterly and annual financial statements:			
The Aetna Casualty and Surety Company CityPlace Hartford, Connecticut 06156 Attention of Records Unit, Bond Investment Department, YFC4			
All other communications to:			
The Aetna Casualty and Surety Company CityPlace Hartford, Connecticut 06156			
Attention of Bond Investment Department, YFC4			
Lutheran Brotherhood	\$1,793,613	\$3,342,947	\$1,713,972

<u>Name and Address of Purchaser</u>	<u>Principal Amount of SS Certificates</u>	<u>Principal Amount of TT Certificates</u>	<u>Principal Amount of Notes</u>
<p>Payments by Federal funds wire transfer to Norwest Bank - Minneapolis, N.A., Eighth Street and Marquette Avenue, Minneapolis, Minnesota 55479, for Lutheran Brotherhood Account No. 7-26513-00-5, with sufficient information to identify each payment as to issuer, security, interest and/or principal, and for credit before noon, New York City time. Notice with respect to each such payment and all other correspondence and documents shall be mailed to the Purchaser at the address specified below.</p> <p>All notices and communications to:</p> <p>Lutheran Brotherhood 625 Fourth Avenue South Minneapolis, Minnesota 55415,</p> <p>to the attention of the Investment Accounting Division in the case of payments and confirmations and to the attention of the Investment Division in the case of financial statements and all other notices and communications; with copy in each case to Norwest Bank - Minneapolis, N.A., at its address set forth above, to the attention of the Trust Safekeeping Section.</p>			

<u>Name and Address of Purchaser</u>	<u>Principal Amount of SS Certificates</u>	<u>Principal Amount of TT Certificates</u>	<u>Principal Amount of Notes</u>
Zurich Insurance Company	\$1,281,152	\$2,387,820	\$1,224,265

Certificates and Notes to be issued in the name of Boehm & Co.

Payments shall be made by wire transfer of immediately available funds to Boehm & Co., in care of Bankers Trust Company, Personal Trust, 16 Wall Street (Third Floor), New York, N.Y. 10015, attention of PCG-INC COL (interest and dividend payments only) (attention of PCG-REORG for payments other than interest and dividend) for Zurich Insurance Company, Account Number 61558, New York, N.Y. 10005, with sufficient information to identify the source and application of funds.

All communications to:

Zurich Insurance Company
231 North Martingale Road
Schaumburg, Illinois 60196

Attention of Mr. Stuart L.
Olin,
Vice President

EXHIBIT A TO PURCHASE AGREEMENT

This FIRST SUPPLEMENTAL AGREEMENT dated as of March 15, 1985, between FIRST INTERSTATE BANK OF DENVER, N.A., a national banking association, as Trustee (hereinafter called the Trustee), and THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, a Delaware corporation (hereinafter called the Railroad):

W I T N E S S E T H :

WHEREAS, the Trustee (then The First National Bank of Denver) and the Railroad have entered into an Equipment Trust Agreement dated as of May 1, 1982 ("Original SS Trust Agreement"), filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on April 30, 1982, at 1:45 p.m. and assigned recordation number 13633;

WHEREAS, the parties hereto desire to amend the Original SS Trust Agreement in various respects;

WHEREAS, such amendments have been consented to by the holder of all the outstanding Trust Certificates;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties agree that certain provisions of the Original SS Trust Agreement are hereby amended as set forth below:

1. The form of Trust Certificate is hereby amended so as to (i) make reference to this First Supplemental Agreement in the first paragraph of the text thereof and (ii) delete the references to May 1 and November 1 wherever they appear in said form.

2. The last WHEREAS clause is hereby amended so as to delete the words "on May 1 and November 1".

3. Article I is hereby amended so as to change the definition of "Equipment" contained therein by adding "box cars, gondola cars" in the parenthetical clause of the definition and by adding the following definitions thereto:

"Equipment Notes" means the Railroad's 13.375% Equipment Notes due June 5, 1992 secured by a second lien on the Trust Equipment.

"Equipment Note Trustee shall mean First Interstate Bank of Denver, N.A., or any successor trustee for the holders of the Equipment Notes.

"Single Maturity Certificates shall mean Trust Certificates issued hereunder with a single maturity specified in a Request delivered pursuant to Section 2.5 hereof."

4. The first paragraph of Section 2.5 is hereby amended so as to add the following proviso at the end thereof:

"; provided, however, Trust Certificates issued pursuant to the penultimate paragraph of this Section 2.5 may be dated as of such date as may be specified in a Request delivered pursuant to said paragraph."

5. The fifth and sixth paragraphs of Section 2.5 are amended to read in their entirety as follows:

"Unless otherwise specified in a Request delivered pursuant to the next succeeding paragraph, each Trust Certificate delivered, pursuant to any provision of this Agreement, in exchange or substitution for, or upon the transfer of, the whole or any part of one or more other Trust Certificates shall carry all the rights to dividends accrued and unpaid, and to accrue, which were carried by the whole or such part of such one or more other Trust Certificates, and, unless so specified as aforesaid, anything to the contrary herein notwithstanding such Trust Certificates, shall be so dated that neither gain nor loss in dividends shall result from such exchange, substitution or transfer.

"In the event that all or any part of the Trust Certificates are issued pursuant to Section 2.1 hereof to an Affiliate of the Railroad or any interim investor approved by the Railroad (as evidenced by a Request), and should such Affiliate or interim investor decide to make a secondary offer of such Trust Certificates, upon surrender for transfer of such Trust Certificates as hereinabove provided in this Section 2.5, the Trustee shall, upon Request, issue and deliver to the purchaser of such Trust Certificates new Serial Certificates or Sinking Fund Certificates or Single Maturity Certificates as specified in said Request and in like principal amount and having a maturity or maturities, bearing

dividends at such rate or rates and payable at such time or times as may be specified in said Request."

6. Section 4.1 is hereby amended to read in its entirety as follows:

"SECTION 4.1. The Trustee does hereby let and lease all the Trust Equipment to the Railroad for the term of 15 years from and after the date of this Agreement; provided, however, if all of the Trust Certificates shall have matured and been paid on a date prior to the expiration of such term of 15 years in accordance with their terms, the term of this lease shall expire on such prior date."

7. The second paragraph of Section 4.7 is hereby amended to read in its entirety as follows:

"Whenever any of the Trust Equipment shall be worn out, lost or destroyed or become unsuitable for use by the Railroad, the Railroad shall deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the Fair Value thereof and shall deposit with the Trustee an amount in cash equal to such Fair Value. Fair Value of Trust Equipment shall be determined as of the date when such Trust Equipment was worn out, lost or destroyed or became unsuitable for use by the Railroad. Cash deposited with the Trustee pursuant to this Section 4.7 shall be held and applied as provided hereinafter."

8. The second paragraph of Section 4.8 is hereby amended to read in its entirety as follows:

"Except as otherwise provided in this Section 4.8, the Railroad shall not without first obtaining the written consent of the Trustee, assign or transfer its rights hereunder, or transfer or sublet the Trust Equipment or any part thereof, except to responsible railroads or industrial companies for a term not exceeding one year or to an Affiliate, and then subject in all respects to the rights and remedies of the Trustee hereunder, or part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment; provided, however, that notwithstanding anything to the contrary contained herein, the Railroad may grant to the Equipment Note Trustee for the benefit of the holders of the Equipment Notes a second lien on the Trust Equipment subject in

all respects to the prior rights and remedies of the Trustee hereunder. An assignment or transfer to a railroad company or other purchaser which shall acquire all or substantially all the lines of the Railroad, and which, by execution of an appropriate instrument satisfactory to the Trustee, shall assume and agree to perform each of and all the obligations and covenants of the Railroad hereunder and under the guaranty endorsed on the Trust Certificates, shall not be deemed a breach of this covenant. The Trustee shall have the right to declare the lease contained herein terminated in case of any unauthorized assignment or transfer of its rights hereunder or in case of any unauthorized transfer or sublease of any of the Trust Equipment. The election of the Trustee to terminate the lease contained herein shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided."

9. Section 6.1 is hereby amended by (i) changing the number "30" to "10" in clause (a) thereof, (ii) deleting clause (c) thereof and (iii) adding the following clauses thereto:

"(c) the Railroad shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof, or in the Purchase Agreements dated as of June 1, 1985, pursuant to which the Trust Certificates and the Equipment Notes were issued, on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

"(d) a petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against the Railroad and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Railroad hereunder shall not have been and shall not continue to have been duly assumed by a trustee or trustees appointed in such proceedings within 60 days after such petition shall have been filed and otherwise in accordance with the provisions of 11 U.S.C. § 1168, or any successor provision, as the same may hereafter be amended, or

"(e) any proceeding other than referred to in (d) shall be commenced by or against the Railroad for any relief which includes, or might result in, any modification of the obligations of the Railroad hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Railroad under this Agreement shall not have been and shall not continue to have been duly assumed by a trustee or trustees or receiver or receivers appointed for the Railroad or for its property in connection with any such proceedings within 60 days after such proceedings shall have been commenced, or

"(f) an event of default shall have occurred and be continuing under the Equipment Notes".

10. The second paragraph of Section 6.3 is hereby amended to read in its entirety as follows:

"After all such payments shall have been made in full, the title to any of the Trust Equipment remaining unsold shall be conveyed by the Trustee to the Equipment Note Trustee free from any further liabilities or obligations to the Trustee hereunder; provided, however, if the Equipment Notes have been paid in full, as evidenced by a certificate of the Equipment Note Trustee, such conveyance shall be made to the Railroad. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Railroad agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Equipment Note Trustee; provided, however, if the Equipment Notes have been paid in full, as evidenced by a certificate of the Equipment Note Trustee, such surplus shall be paid to the Railroad."

11. The date "May 1, 1997" is hereby deleted in Section 6.4 and the following language is hereby added in lieu thereof:

"the final maturity date of the last maturing Trust Certificate outstanding under this Agreement."

12. Section 7.3 is hereby amended to read in its entirety as follows:

"SECTION 7.3. The Railroad covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provisions for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien, security interest or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Railroad therein; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim (i) so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless such contest will in the judgment of the Trustee materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates or (ii) in respect of or for the benefit of the Equipment Notes to the extent authorized pursuant to Section 4.8 hereof."

13. The second paragraph of Section 8.3 is hereby deleted in its entirety.

14. The dollar amount of "\$5,000,000" in Section 8.10 is hereby deleted and the dollar amount "\$50,000,000" is hereby inserted in lieu thereof.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate

seals, duly attested, to be hereunto affixed as of the day and year first above written.

FIRST INTERSTATE BANK OF DENVER, N.A, Trustee,

by

Senior Vice President
and Trust Officer

(Corporate Seal)

ATTEST:

Assistant Cashier

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY,

by

President

(Corporate Seal)

ATTEST:

Secretary

CITY AND COUNTY OF DENVER,)
) ss.:
STATE OF COLORADO,)

On this day of , 1985, before me personally appeared, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President and Trust Officer of FIRST INTERSTATE BANK OF DENVER, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission expires:

Notary Public

(Notarial Seal)

CITY AND COUNTY OF DENVER,)
) ss.:
STATE OF COLORADO,)

On this day of , 1985, before me personally appeared, W. J. Holtman, to me personally known, who being by me duly sworn, says that he is President of THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission expires:

Notary Public

(Notarial Seal)

EXHIBIT B TO PURCHASE AGREEMENT

This FIRST SUPPLEMENTAL AGREEMENT dated as of March 15, 1985, between FIRST INTERSTATE BANK OF DENVER, N.A., a national banking association, as Trustee (herein-after called the Trustee), and THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, a Delaware corporation (herein-after called the Railroad):

W I T N E S S E T H :

WHEREAS, the Trustee and the Railroad have entered into an Equipment Trust Agreement dated as of August 1, 1984 ("Original TT Trust Agreement"), filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on July 20, 1984, at 10:40 a.m. and assigned recordation number 14380;

WHEREAS, the parties hereto desire to amend the Original TT Trust Agreement in various respects;

WHEREAS, such amendments have been consented to by the holder of all the outstanding Trust Certificates;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties agree that certain provisions of the Original TT Trust Agreement are hereby amended as set forth below:

1. The form of Trust Certificate is hereby amended so as to (i) make reference to this First Supplemental Agreement in the first paragraph of the text thereof and (ii) delete the references to August 1 and February 1 wherever they appear in said form.

2. The last WHEREAS clause is hereby amended so as to delete the words "on August 1 and February 1".

3. Article I is hereby amended so as to change the definition of "Equipment" contained therein by adding "box cars, gondola cars" in the parenthetical clause of the definition and by adding the following definitions thereto:

"Equipment Notes" means the Railroad's 13.375% Equipment Notes due June 5, 1992 secured by a second lien on the Trust Equipment.

"Equipment Note Trustee shall mean First Interstate Bank of Denver, N.A., or any successor trustee for the holders of the Equipment Notes.

"Single Maturity Certificates shall mean Trust Certificates issued hereunder with a single maturity specified in a Request delivered pursuant to Section 2.5 hereof."

4. The first paragraph of Section 2.5 is hereby amended so as to add the following proviso at the end thereof:

"; provided, however, Trust Certificates issued pursuant to the penultimate paragraph of this Section 2.5 may be dated as of such date as may be specified in a Request delivered pursuant to said paragraph."

5. The fifth and sixth paragraphs of Section 2.5 are amended to read in their entirety as follows:

"Unless otherwise specified in a Request delivered pursuant to the next succeeding paragraph, each Trust Certificate delivered, pursuant to any provision of this Agreement, in exchange or substitution for, or upon the transfer of, the whole or any part of one or more other Trust Certificates shall carry all the rights to dividends accrued and unpaid, and to accrue, which were carried by the whole or such part of such one or more other Trust Certificates, and, unless so specified as aforesaid, anything to the contrary herein notwithstanding such Trust Certificates, shall be so dated that neither gain nor loss in dividends shall result from such exchange, substitution or transfer.

"In the event that all or any part of the Trust Certificates are issued pursuant to Section 2.1 hereof to an Affiliate of the Railroad or any interim investor approved by the Railroad (as evidenced by a Request), and should such Affiliate or interim investor decide to make a secondary offer of such Trust Certificates, upon surrender for transfer of such Trust Certificates as hereinabove provided in this Section 2.5, the Trustee shall, upon Request, issue and deliver to the purchaser of such Trust Certificates new Serial Certificates or Sinking Fund Certificates or Single Maturity Certificates as specified in said Request and in like principal amount and having a maturity or maturities, bearing

dividends at such rate or rates and payable at such time or times as may be specified in said Request."

6. Section 4.1 is hereby amended to read in its entirety as follows:

"SECTION 4.1. The Trustee does hereby let and lease all the Trust Equipment to the Railroad for the term of 15 years from and after the date of this Agreement; provided, however, if all of the Trust Certificates shall have matured and been paid on a date prior to the expiration of such term of 15 years in accordance with their terms, the term of this lease shall expire on such prior date."

7. The second paragraph of Section 4.7 is hereby amended to read in its entirety as follows:

"Whenever any of the Trust Equipment shall be worn out, lost or destroyed or become unsuitable for use by the Railroad, the Railroad shall deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the Fair Value thereof and shall deposit with the Trustee an amount in cash equal to such Fair Value. Fair Value of Trust Equipment shall be determined as of the date when such Trust Equipment was worn out, lost or destroyed or became unsuitable for use by the Railroad. Cash deposited with the Trustee pursuant to this Section 4.7 shall be held and applied as provided hereinafter."

8. The second paragraph of Section 4.8 is hereby amended to read in its entirety as follows:

"Except as otherwise provided in this Section 4.8, the Railroad shall not without first obtaining the written consent of the Trustee, assign or transfer its rights hereunder, or transfer or sublet the Trust Equipment or any part thereof, except to responsible railroads or industrial companies for a term not exceeding one year or to an Affiliate, and then subject in all respects to the rights and remedies of the Trustee hereunder, or part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment; provided, however, that notwithstanding anything to the contrary contained herein, the Railroad may grant to the Equipment Note Trustee for the benefit of the holders of the Equipment Notes a second lien on the Trust Equipment subject in

all respects to the prior rights and remedies of the Trustee hereunder. An assignment or transfer to a railroad company or other purchaser which shall acquire all or substantially all the lines of the Railroad, and which, by execution of an appropriate instrument satisfactory to the Trustee, shall assume and agree to perform each of and all the obligations and covenants of the Railroad hereunder and under the guaranty endorsed on the Trust Certificates, shall not be deemed a breach of this covenant. The Trustee shall have the right to declare the lease contained herein terminated in case of any unauthorized assignment or transfer of its rights hereunder or in case of any unauthorized transfer or sublease of any of the Trust Equipment. The election of the Trustee to terminate the lease contained herein shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided."

9. Section 6.1 is hereby amended by (i) changing the number "30" to "10" in clause (a) thereof, (ii) deleting clause (c) thereof and (iii) adding the following clauses thereto:

"(c) the Railroad shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof, or in the Purchase Agreements dated as of June 1, 1985, pursuant to which the Trust Certificates and the Equipment Notes were issued, on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

"(d) a petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against the Railroad and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Railroad hereunder shall not have been and shall not continue to have been duly assumed by a trustee or trustees appointed in such proceedings within 60 days after such petition shall have been filed and otherwise in accordance with the provisions of 11 U.S.C. § 1168, or any successor provision, as the same may hereafter be amended, or

"(e) any proceeding other than referred to in (d) shall be commenced by or against the Railroad for any relief which includes, or might result in, any modification of the obligations of the Railroad hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Railroad under this Agreement shall not have been and shall not continue to have been duly assumed by a trustee or trustees or receiver or receivers appointed for the Railroad or for its property in connection with any such proceedings within 60 days after such proceedings shall have been commenced, or

"(f) an event of default shall have occurred and be continuing under the Equipment Notes".

10. The second paragraph of Section 6.3 is hereby amended to read in its entirety as follows:

"After all such payments shall have been made in full, the title to any of the Trust Equipment remaining unsold shall be conveyed by the Trustee to the Equipment Note Trustee free from any further liabilities or obligations to the Trustee hereunder; provided, however, if the Equipment Notes have been paid in full, as evidenced by a certificate of the Equipment Note Trustee, such conveyance shall be made to the Railroad. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Railroad agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Equipment Note Trustee; provided, however, if the Equipment Notes have been paid in full, as evidenced by a certificate of the Equipment Note Trustee, such surplus shall be paid to the Railroad."

11. The date "August 1, 1999" is hereby deleted in Section 6.4 and the following language is hereby added in lieu thereof:

"the final maturity date of the last maturing Trust Certificate outstanding under this Agreement."

12. Section 7.3 is hereby amended to read in its entirety as follows:

"SECTION 7.3. The Railroad covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provisions for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien, security interest or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Railroad therein; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim (i) so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless such contest will in the judgment of the Trustee materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates or (ii) in respect of or for the benefit of the Equipment Notes to the extent authorized pursuant to Section 4.8 hereof."

13. The second paragraph of Section 8.3 is hereby deleted in its entirety.

14. The dollar amount of "\$5,000,000" in Section 8.10 is hereby deleted and the dollar amount "\$50,000,000" is hereby inserted in lieu thereof.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate

seals, duly attested, to be hereunto affixed as of the day and year first above written.

FIRST INTERSTATE BANK OF
DENVER, N.A, Trustee,

by

Senior Vice President
and Trust Officer

(Corporate Seal)

ATTEST:

Assistant Cashier

THE DENVER AND RIO GRANDE
WESTERN RAILROAD COMPANY,

by

President

(Corporate Seal)

ATTEST:

Secretary

CITY AND COUNTY OF DENVER,)
) ss.:
 STATE OF COLORADO,)

On this day of , 1985, before me personally appeared, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President and Trust Officer of FIRST INTERSTATE BANK OF DENVER, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission expires:

Notary Public

(Notarial Seal)

CITY AND COUNTY OF DENVER,)
) ss.:
 STATE OF COLORADO,)

On this day of , 1985, before me personally appeared, W. J. Holtman, to me personally known, who being by me duly sworn, says that he is President of THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission expires:

Notary Public

(Notarial Seal)

SECURITY AGREEMENT

Dated as of June 1, 1985

between

FIRST INTERSTATE BANK OF DENVER, N.A.,

Trustee,

and

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

SECURITY AGREEMENT dated as of June 1, 1985, between THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, a Delaware corporation (the "Railroad") and FIRST INTERSTATE BANK OF DENVER, N.A., a national banking association, organized and existing under the laws of the United States, as Trustee (the "Trustee").

WHEREAS, the Railroad has subjected the railroad equipment described in Part I of Schedule A hereto to an Equipment Trust Agreement dated as of May 1, 1982, as supplemented by a Supplemental Agreement dated as of March 15, 1985 (such Equipment Trust Agreement, as supplemented, being hereinafter called the "SS Trust Agreement") between the Railroad and First Interstate Bank of Denver, N.A., as trustee thereunder (the "SS Trustee");

WHEREAS, the Railroad has subjected the railroad equipment described in Part II of Schedule A hereto to an Equipment Trust Agreement dated as of August 1, 1984, as supplemented by a Supplemental Agreement dated as of March 15, 1985 (such Equipment Trust Agreement, as supplemented, being hereinafter called the "TT Trust Agreement"), between the Railroad and First Interstate Bank of Denver, N.A., as trustee thereunder (the "TT Trustee");

WHEREAS, the Railroad is issuing its 13.375% Equipment Notes due June 5, 1992 (the "Notes"), pursuant to Purchase Agreements dated as of June 1, 1985 (the "Purchase Agreements"), among Rio Grande Industries, Inc., the Railroad and certain institutional investors, a copy of the form of which is annexed hereto as Exhibit B;

WHEREAS, as security for the Notes the Railroad has agreed to grant to the Trustee a security interest in the railroad equipment and proceeds therefrom described in Schedule A hereto and any other railroad equipment subjected to the SS Trust Agreement or the TT Trust Agreement, respectively, pursuant to the terms thereof, subject and subordinate to the prior liens of the SS and TT Trust Agreements;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the Railroad, in consideration of these premises, of the acceptance by the Trustee of the trusts created hereby, of the mutual covenants herein contained, of the purchase and acceptance of

the Notes by the holders thereof, of the sum of \$10 duly paid by the Trustee to the Railroad at or before the delivery of this Agreement and for other valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, and premium, if any, and interest on, all Notes at any time issued and outstanding according to their tenor and effect, and the performance and observance by the Railroad of all the covenants and conditions herein and therein and in the Purchase Agreements, has executed and delivered this Agreement and has granted, bargained, sold, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over, confirmed and warranted, and by these presents does grant, bargain, sell, remise, convey, assign, transfer mortgage, pledge, set over, confirm and warrant, to the Trustee, and to its successors in the trusts and its and their assigns forever, all and singular the railroad equipment described in Schedule A hereto (the "Equipment") and all additional railroad equipment at any time subjected to the SS Trust Agreement and the TT Trust Agreement and all proceeds from the sale and disposition thereof (all such Equipment, railroad equipment and proceeds being hereinafter called the "Collateral"); provided, however, that the interests of the Trustee in and to the Collateral are and shall continue to be subject and subordinate in all respects to the prior rights, titles, interests and remedies of the SS Trustee and TT Trustee under and pursuant to the SS Trust Agreement or the TT Trust Agreement, as the case may be, and the Trustee may not take any action under this Agreement which conflicts or in any way would interfere with such prior rights, titles, interests and remedies.

The Railroad and the Trustee further agree as follows:

1. If any additional railroad equipment is subjected to the SS Trust Agreement or the TT Trust Agreement, the Railroad shall execute and deliver to the Trustee a supplement hereto subjecting such additional railroad equipment to the lien hereof, subject and subordinate to the prior rights, titles, interests and remedies of the SS Trustee or the TT Trustee, as the case may be. Upon release of any Equipment from either the SS Trust Agreement or the TT Trust Agreement pursuant to Section 4.7 thereof, the Trustee shall release such Equipment from the lien hereof.

2. If an event of default shall have occurred and be continuing under the Notes, the Trustee and the holders of the Notes shall, subject and subordinate in all respects

to the prior rights, titles, interests and remedies of the SS Trustee and the TT Trustee, (a) have the same rights and remedies as those expressed in Article VI of the SS Trust Agreement and the TT Trust Agreement and (b) be entitled to the benefit of all of the covenants and agreements set forth in Sections 7.1, 7.3, 7.4 and 7.5 of the SS Trust Agreement and the TT Trust Agreement, in the case of both (a) and (b), in like manner as if the same were set forth in full herein and were made for the benefit of the Trustee and the holders of the Notes, except that all references in said Article or Sections to "Trust Equipment" and "Trust Certificates" shall be deemed to refer to the "Equipment" and the "Notes", respectively.

3. The provisions of Sections 8.1, 8.3, 8.4, 8.5, 8.6, 8.7, 8.9, 8.10 and 8.11, and all the provisions of Article Nine, of the SS Trust Agreement and the TT Trust Agreement are hereby incorporated herein in like manner as if they were set forth in full herein for the benefit of the Trustee and the holders of the Notes except that the references to "Trust Equipment" and "Trust Certificates" as used in those sections shall be deemed to refer to "Equipment" and "Notes", respectively.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

FIRST INTERSTATE BANK OF
DENVER, N.A., Trustee,

by

Senior Vice President
and Trust Officer

(Corporate Seal)

ATTEST:

Assistant Cashier

THE DENVER AND RIO GRANDE
WESTERN RAILROAD COMPANY,

by

President

(Corporate Seal)

ATTEST:

Secretary

CITY AND COUNTY OF DENVER,)
) ss.:
STATE OF COLORADO,)

On this _____ day of _____, 1985, before me personally appeared, _____ to me personally known, who, being by me duly sworn, says that he is a Senior Vice President and Trust Officer of FIRST INTERSTATE BANK OF DENVER, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission expires _____
(Notarial Seal)

CITY AND COUNTY OF DENVER,)
) ss.:
STATE OF COLORADO,)

On this _____ day of _____, 1985, before me personally appeared, W.J. HOLTMAN, to me personally known, who, being by me duly sworn, says that he is President of THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission expires _____
(Notarial Seal)

SCHEDULE A TO SECURITY AGREEMENT

Part I
Railroad Equipment Subject to
SS Trust Agreement

Three hundred fifty 100-ton 3,483 cubic foot open top quadruple hopper cars, bearing equipment numbers D&RGW 12,500-12,849, both inclusive.

Part II
Railroad Equipment Subject to
TT Trust Agreement

Seventeen 3,500 horsepower (SD-50) general purpose diesel electric locomotives (General Motors Corporation, Electromotive Division, builder), bearing equipment numbers D&RGW 5,501-5,517, both inclusive.

EXHIBIT D TO PURCHASE AGREEMENT

(FORM OF NOTE)

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY
13.375% EQUIPMENT NOTE DUE JUNE 5, 1992

Total Authorized Issue \$7,683,000

Interest at the rate of 13.375% Per Annum Payable
June 5 and December 5

Principal hereof payable June 5, 1992

FOR VALUE RECEIVED, the undersigned, THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY (the "Company"), promises to pay to _____, or registered assigns, the principal amount of _____ Dollars (\$ _____), payable on June 5, 1992, upon presentation and surrender of this Note to First Interstate Bank of Denver, N.A. (the "Trustee"), at its principal corporate trust office in the City and County of Denver, and State of Colorado, and to pay, until said last mentioned date, interest on said principal amount, semiannually on June 5 and December 5, in each year, at the rate of 13.375% per annum from the date hereof, at said office of the Trustee, with interest at said interest rate on any unpaid principal and on any unpaid interest to the extent that it shall be legally enforceable, all in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

This Note is one of an issue of Notes having an aggregate principal amount not exceeding \$7,683,000, all issued or to be issued under and subject to the terms of Purchase Agreements dated as of June 1, 1985 (the "Agreements"), among the Company, Rio Grande Industries, Inc., and the Purchasers named therein, and equally and ratably with the other Notes secured by the Collateral, as defined in that certain Security Agreement dated as of June 1, 1985 (the "Security Agreement"), between the Company and the Trustee, to which Agreement and Security Agreement (copies of which are on file with the Trustee at its office in Denver, Colorado) reference is made for a full statement of the description of the Collateral, the nature and extent of the security, the rights and obligations of the Company, the duties and immunities of the Trustee and the rights of the registered holder hereof thereunder.

The Notes are issuable only as fully registered Notes in the denominations of \$1,000 and any multiple of \$1,000.

This Note is transferable by the registered holder hereof (the "Holder") in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at its said office of this Note accompanied by a written instrument of transfer, duly executed by the Holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new fully registered Note or Notes in authorized denominations for the same aggregate principal amount and having the same date of maturity will be issued to the transferee in exchange herefore. The Trustee and the Company may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of principal and dividends and for all other purposes and shall not be affected by any notice to the contrary.

This Note may not be redeemed or prepaid prior to maturity.

Each of the following shall constitute an event of default ("event of default") under the Notes:

(a) the Company shall default in the payment of any part of the principal or interest hereunder for more than 10 days after the same shall have become due and payable, or

(b) the Company shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof, or in the Agreement or the Security Agreement, on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

(c) a petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against the Company and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Company hereunder shall not have been and shall not continue to have been duly assumed by a trustee or trustees appointed in such proceedings

within 60 days after such petition shall have been filed and otherwise in accordance with the provisions of 11 U.S.C. § 1168, or any successor provision, as the same may hereafter be amended, or

(d) any proceeding other than referred to in (c) shall be commenced by or against the Company for any relief which includes, or might result in, any modification of the obligations of the Company hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations), and, unless such proceeding shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Company hereunder shall not have been and shall not continue to have been duly assumed by a trustee or trustees or receiver or receivers appointed for the Company or for its property in connection with any such proceedings within 60 days after such proceedings shall have been commenced, or

(e) an event of default shall have occurred and be continuing under the Company's Equipment Trust Certificates, Series "SS", or Equipment Trust Certificates, Series "TT".

In case of an event of default, the principal amount represented by this Note may be declared due and payable, as provided in said Security Agreement.

This Note and the Security Agreement are governed by and construed in accordance with Colorado law.

IN WITNESS WHEREOF, the Company has caused this Note to be signed by the manual or facsimile signature of its President and its corporate seal, in facsimile, to be

hereunto affixed and to be attested by its Secretary, as of
the 5th day of June 1985.

THE DENVER AND RIO GRANDE
WESTERN RAILROAD COMPANY,

by

President

ATTEST:

Secretary

EXHIBIT E TO PURCHASE AGREEMENT

(FORM OF TRUST CERTIFICATE)

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No. R

DENVER AND RIO GRANDE WESTERN RAILROAD
EQUIPMENT TRUST, SERIES "SS"

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue \$10,050,000
FIRST INTERSTATE BANK OF DENVER, N.A., TRUSTEE

Dividends at the rate of 12-5/8% Per Annum Payable
June 5 and December 5

Principal hereof payable June 5, 1992

FIRST INTERSTATE BANK OF DENVER, N.A., as Trustee under an Equipment Trust Agreement dated as of May 1, 1982, as supplemented by a First Supplemental Agreement dated as of March 15, 1985 (said Equipment Trust Agreement, as so supplemented, being hereinafter called the Agreement), between THE FIRST NATIONAL BANK OF DENVER (now FIRST INTERSTATE BANK OF DENVER, N.A.), TRUSTEE (hereinafter called the Trustee), and THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY (hereinafter called the Railroad), hereby certifies that _____, or registered assigns, is entitled to an interest in the principal amount of \$ _____ in DENVER AND RIO GRANDE WESTERN RAILROAD EQUIPMENT TRUST, SERIES "SS", payable on June 5, 1992, upon presentation and surrender of this Certificate to the Trustee at its principal corporate trust office in the City and County of Denver, and State of Colorado, or at the option of the registered holder at the Agency of the Trustee in the Borough of Manhattan, in the City and State of New York, and to payment, until said last mentioned date, of dividends on said principal amount, semiannually on June 5 and December 5 in each year, at the rate of 12-5/8% per annum from the date hereof, at said office of the Trustee, with interest at said dividend rate on any unpaid principal and on any unpaid dividends to the extent that it shall be legally enforceable, all in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but payable only out of rentals or other

moneys received by the Trustee and applicable to such payment under the provisions of said Agreement.

This Certificate is one of an issue of Certificates having an aggregate principal amount not exceeding \$10,050,000, all issued or to be issued under and subject to the terms of said Agreement, under which certain railroad equipment leased to the Railroad (or cash or obligations defined therein as "Government Securities" in lieu thereof, as provided in said Agreement) is held by the Trustee in trust for the benefit of the holders of the interests represented by said Certificates, to which Agreement (a copy of which is on file with the Trustee at its office in Denver, Colorado) reference is made for a full statement of the rights and obligations of the Railroad, the duties and immunities of the undersigned and the rights of the registered holder hereof thereunder.

The Certificates are issuable only as fully registered Certificates in the denominations of \$1,000 and any multiple of \$1,000.

This Certificate is transferable by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at its said office or at the Agency of the Trustee in the Borough of Manhattan, in the City and State of New York, of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new fully registered Certificate or Certificates in authorized denominations for the same aggregate principal amount and having the same date of maturity will be issued to the transferee in exchange herefore. The Trustee and the Railroad may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and dividends and for all other purposes and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of the Railroad in said Agreement contained, the principal amount represented by this

Certificate may be declared due and payable, as provided in said Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by the manual or facsimile signature of a Senior Vice President and Trust Officer and its corporate seal, in facsimile, to be hereunto affixed and to be attested by an Assistant Cashier, as of the 5th day of June 1985.

FIRST INTERSTATE BANK OF
DENVER, N.A., Trustee,

by

Senior Vice President
and Trust Officer

(Corporate Seal)

ATTEST:

Assistant Cashier

(FORM OF GUARANTY FOR TRUST CERTIFICATE)

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment of the principal of said Certificate and of the dividends thereon specified in said Certificate, with interest at the dividend rate on any unpaid principal and on any unpaid dividends to the extent that it shall be legally enforceable, all in accordance with the terms of said Certificate and the Agreement referred to therein.

THE DENVER AND RIO GRANDE
WESTERN RAILROAD COMPANY,

by

President

EXHIBIT F TO PURCHASE AGREEMENT

(FORM OF TRUST CERTIFICATE)

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No. R

DENVER AND RIO GRANDE WESTERN RAILROAD
EQUIPMENT TRUST, SERIES "TT"

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue \$14,985,000
FIRST INTERSTATE BANK OF DENVER, N.A., TRUSTEE

Dividends at the rate of 12-5/8% Per Annum Payable
June 5 and December 5

Principal hereof payable June 5, 1992

FIRST INTERSTATE BANK OF DENVER, N.A., as Trustee under an Equipment Trust Agreement dated as of August 1, 1982, as supplemented by a First Supplemental Agreement dated as of March 15, 1985 (said Equipment Trust Agreement, as so supplemented, being hereinafter called the Agreement), between FIRST INTERSTATE BANK OF DENVER, N.A., TRUSTEE (hereinafter called the Trustee), and THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY (hereinafter called the Railroad), hereby certifies that _____, or _____, registered assigns, is entitled to an interest in the principal amount of \$ _____ in DENVER AND RIO GRANDE WESTERN RAILROAD EQUIPMENT TRUST, SERIES "TT", payable on June 5, 1992, upon presentation and surrender of this Certificate to the Trustee at its principal corporate trust office in the City and County of Denver, and State of Colorado, or at the option of the registered holder at the Agency of the Trustee in the Borough of Manhattan, in the City and State of New York, and to payment, until said last mentioned date, of dividends on said principal amount, semiannually on June 5 and December 5 in each year, at the rate of 12-5/8% per annum from the date hereof, at said office of the Trustee, with interest at said dividend rate on any unpaid principal and on any unpaid dividends to the extent that it shall be legally enforceable, all in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but payable only out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of said Agreement.

This Certificate is one of an issue of Certificates having an aggregate principal amount not exceeding \$14,985,000, all issued or to be issued under and subject to the terms of said Agreement, under which certain railroad equipment leased to the Railroad (or cash or obligations defined therein as "Government Securities" in lieu thereof, as provided in said Agreement) is held by the Trustee in trust for the benefit of the holders of the interests represented by said Certificates, to which Agreement (a copy of which is on file with the Trustee at its office in Denver, Colorado) reference is made for a full statement of the rights and obligations of the Railroad, the duties and immunities of the undersigned and the rights of the registered holder hereof thereunder.

The Certificates are issuable only as fully registered Certificates in the denominations of \$1,000 and any multiple of \$1,000.

This Certificate is transferable by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at its said office or at the Agency of the Trustee in the Borough of Manhattan, in the City and State of New York, of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new fully registered Certificate or Certificates in authorized denominations for the same aggregate principal amount and having the same date of maturity will be issued to the transferee in exchange herefore. The Trustee and the Railroad may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and dividends and for all other purposes and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of the Railroad in said Agreement contained, the principal amount represented by this Certificate may be declared due and payable, as provided in said Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by the manual or facsimile signature of a Senior Vice President and Trust Officer and its corporate seal, in facsimile, to be hereunto affixed and to

be attested by an Assistant Cashier, as of the 5th day of June 1985.

FIRST INTERSTATE BANK OF DENVER, N.A., Trustee,

by

Senior Vice President
and Trust Officer

(Corporate Seal)

ATTEST:

Assistant Cashier

(FORM OF GUARANTY FOR TRUST CERTIFICATE)

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment of the principal of said Certificate and of the dividends thereon specified in said Certificate, with interest at the dividend rate on any unpaid principal and on any unpaid dividends to the extent that it shall be legally enforceable, all in accordance with the terms of said Certificate and the Agreement referred to therein.

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY,

by

President