



**NORTH AMERICAN CAR CORPORATION**

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12987  
RECORDATION NO. \_\_\_\_\_ F1nd 1428

MAR 18 1991 - 1 20 PM

INTERSTATE COMMERCE COMMISSION

1-077A130

Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Re: Filing of Equipment Lease dated as of June 10, 1980 ("Prime Lease") between Manufacturers National Bank of Detroit, as Trustee under The American Road Owner Trust No. 2 ("Lessor") and North American Car Corporation ("NAC")

No. \_\_\_\_\_  
MAR 18 1981  
Date.....  
Fee \$ 20.00  
2.4  
ICC Washington, D. C.

Secretary:

Enclosed for recording under 49 U.S.C. §11303 are executed counterparts of the Prime Lease pursuant to which NAC shall lease railcars to be identified on schedules to be appended thereto upon the terms and conditions contained in the Prime Lease and the applicable schedule covering such railcar. Please record this Prime Lease under a separate recordation number.

*New Number*

The names and addresses of the parties are as follows:

Manufacturers National Bank of  
Detroit, as Trustee under The  
American Road Owner Trust No.2  
100 Renaissance Center  
Detroit, Michigan 48243  
Attention: Corporate Agencies Administration

North American Car Corporation  
33 West Monroe  
Chicago, Illinois 60603  
Attention: Director, Investment Management Programs

RECEIVED  
MAR 18 1 22 PM '81  
FEE OPERATION BR.  
I.C.C.

Also enclosed is a check payable to the Interstate Commerce Commission in the amount of \$50 for the required recording fee. Pursuant to the Commission's rules and regulations for the recording of certain documents under 49 U.S.C. §11303, you are

*Handwritten signature/initials*

*Handwritten signature/initials*



Secretary  
Interstate Commerce Commission

Page Two. \_\_\_\_\_

hereby requested to duly file one counterpart for record in your office and to return the remaining counterparts, the Secretary's Certificate of Recording, and related fee receipt, to the messenger making this delivery.

If you have any questions, please contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "E. H. Soderstrom II", with a long horizontal flourish extending to the right.

Edward H. Soderstrom II  
Assistant Secretary

EHS:smc  
Enclosure

No Nos.

DUPLICATE

12987

RECORDATION NO. \_\_\_\_\_, FTRM 1425

EQUIPMENT LEASE

Dated as of June 10, 1980

MAR 18 1991 -1 20 PM

INTERSTATE COMMERCE COMMISSION

Between

Manufacturers National Bank of Detroit  
As Trustee under The American Road  
Owner Trust No. 2

LESSOR

And

North American Car Corporation

LESSEE

This Lease has been assigned to the holder of the superior lien from time to time on each Unit of Equipment as determined with reference to the filings under Section 11303 of the Interstate Commerce Act.

Lessor's interest herein may not be sold, transferred or assigned except by a transfer of the copy of this Lease marked "Original".

## EQUIPMENT LEASE

This EQUIPMENT LEASE is dated as of June 10, 1980, and is entered into between MANUFACTURERS NATIONAL BANK OF DETROIT, not individually but solely as trustee ("Lessor") under The American Road Owner Trust No. 2 (the "Trust") and NORTH AMERICAN CAR CORPORATION, a Delaware corporation ("Lessee").

### R E C I T A L S :

A. Lessee and Lessor desire to enter into (i) this Equipment Lease, as amended, modified or supplemented (the "Prime Lease"), which sets forth the terms and provisions applicable to the leasing by Lessee from Lessor of railroad equipment (individually a "Unit" or "Unit of Equipment", collectively the "Units" or "Units of Equipment") and (ii) supplements thereto substantially in the form of Exhibit I to the Prime Lease (the "Prime Lease Schedule"), which, among other things, sets forth the description of (w) the Units to be leased to Lessee, (x) the related sublease (the "Sublease") between Lessee and its customer (a "Sublessee"), (y) the Periodic Rent and (z) lease terms.

B. The Prime Lease and form of Prime Lease Schedule are the "Prime Lease" and "Prime Lease Schedule" referred to in Section 4.10 of the Management and Service Agreement dated as of June 10, 1980, as amended, modified or supplemented (the "Management Agreement") between Lessee, in its capacity as Manager; and Lessor, in its capacity as Owner-Trustee.

#### Section 1. Management Agreement Governs.

All of the terms and provisions of the Management Agreement shall be binding upon Lessor and Lessee with respect to the Units of Equipment subject to the Prime Lease unless the Prime Lease shall provide otherwise. In the event that the Management Agreement shall be terminated with respect to any Unit of Equipment and the Prime Lease shall remain in effect with respect to such Unit, the terms and provisions of the Management Agreement as in effect immediately prior to such termination (other than such terms and provisions which expressly do not apply to Units of Equipment subject to the Prime Lease) shall be deemed to be incorporated herein by this reference as though set forth in full at this place. Terms used herein and not defined herein shall have the meaning set forth therefor in the Management Agreement.

#### Section 2. Prime Lease Schedule.

Lessor agrees to lease to Lessee, and Lessee agrees to accept and lease upon the terms and conditions contained in the Prime Lease, the Units of Equipment covered by the applicable Prime Lease Schedule as may be executed and delivered by Lessee and Lessor from time to time.

### Section 3. Abatements and Credits.

If a Sublessee of any Unit shall not be obligated pursuant to the terms of its Sublease to pay rent during any period such Unit is out of service for repairs or is in a repair facility for the purpose of having a Capital Addition added, the monthly rental payable by Lessee with respect to such Unit shall abate for the same period. In the event Lessee has previously paid Lessor rentals relating to a Unit for which rental would have abated under the Sublease, an appropriate credit shall be made against future rentals payable by Lessee to Lessor or otherwise adjusted pursuant to the terms of the Management Agreement.

### Section 4. Rentals.

Lessee agrees to pay Lessor the Periodic Rent, which shall be an amount equal to the Periodic Rent payable under the applicable Sublease or under any replacement Sublease of a terminated Sublease for each Unit of Equipment as set forth on the Prime Lease Schedule applicable thereto, which shall be payable in advance on the tenth day of each calendar month during the term of the applicable Prime Lease Schedule. Rentals payable hereunder shall not include any identified portion of Periodic Rent paid by a Sublessee for the purpose of amortizing the cost of a Capital Addition installed at the Manager's expense, and Lessee shall be entitled to retain such amounts. The first rental payment shall include the Periodic Rent payable under the applicable Prime Lease Schedule which has accrued through the end of the immediately preceding calendar month in which payment is made. If the tenth day of the calendar month is not a Business Day, the amounts due on that day shall be payable on the next succeeding Business Day.

An amount equal to the sum of the amounts which would have been payable for the Maintenance Fee and the Base Management Fee (assuming the same were applicable thereto) for each Unit subject to the Prime Lease during the applicable month, shall be deducted from the Periodic Rent payable by Lessee under the applicable Prime Lease Schedule or any replacement Prime Lease Schedule with respect to such Units as provided for in Section 4.10(a) of the Management Agreement; provided, however, that such deduction shall be calculated on the amount of Periodic Rent remaining after payment of excess rentals to Lessee pursuant to the first sentence of Section 12(e) hereof. Further, all payments by Lessee hereunder shall be subject to any credit issued pursuant to Sections 3 and 6 hereof and shall be adjusted, upward or downward, as the case may be, for Excess Usage Charges. Payments shall be made to Lessor by wire transfer to Lessor at the address therefor provided in Section 16 hereof or at such address for payment as may from time to time be designated by Lessor in writing. Such payments shall be made by wire transfer not later than 11:00 A.M. Chicago time on the due date of such payment in Federal or other immediately available funds.

### Section 5. Term of Lease.

Subject to the provisions of Sections 6 and 9 hereof, the term of the Prime Lease under the applicable Prime Lease Schedule shall commence on the date set forth on the Prime Lease Schedule applicable thereto, but in no event shall that date be earlier than the date that Lessor acquires title to the Units from the Builder, and shall continue for the term set forth in that Prime Lease Schedule, provided, however, that such term shall continue as to an Unit of Equipment until the date Lessee regains possession

of that Unit should Lessee be unable to do so upon the termination of the Sublease related thereto.

#### Section 6. Casualty Occurrences; Purchase Options.

(a) In the event that any Unit of Equipment subject to the Prime Lease shall suffer a Casualty Occurrence, Lessee shall give written notice thereof as promptly as possible to Lessor after Lessee knows of such event. When Sublessee thereof is no longer required to pay rent with respect to such Unit as a result of a Casualty Occurrence, Lessee's obligation to pay rental under Section 4 hereof with respect to such Unit shall likewise cease and that Unit shall no longer be subject to the Prime Lease; provided, however, if any Unit is not then subject to a Sublease, Lessee shall be obligated to pay rental under Section 4 hereof with respect to such Unit until the date of such Casualty Occurrence. Lessee shall receive a credit for any amount of rentals previously paid by it for which Lessee was not obligated to make such payment as a result of a Unit suffering a Casualty Occurrence, which credit shall be applied against compensation paid in respect of such Casualty Occurrence or future rentals. Lessee will collect all compensation in respect of any Casualty Occurrence payable by any Person, including any railroad, Sublessee or insurer (other than in respect of insurance obtained by an Owner for its own account) and, in that connection, shall take such steps including field inspection, as it would normally take for other cars it owns, operates or manages for leasing. Lessee shall dispose or arrange for the disposal of such Unit of Equipment on behalf of Lessor at the best price obtainable on an "as is, where is" basis. Promptly after receipt thereof, Lessee will remit to Lessor all such compensation collected by Lessee and the proceeds of such disposal, less any reasonable out-of-pocket expenses of Lessee in connection therewith. Lessee shall have no other obligation to Lessor in respect of such Unit other than to transfer any amounts it receives in respect of such Casualty Occurrence from such sources to Lessor promptly without deduction or setoff.

(b) Lessee is hereby granted full power and authority to sell, on Lessor's behalf, any Unit of Equipment which has suffered a Casualty Occurrence being settled for under the AAR Rules. Lessor hereby agrees to execute all necessary powers of attorney and other documents evidencing such power and authority.

(c) Any Unit of Equipment subject to the Prime Lease which is sold by Lessee on Lessor's behalf or purchased by the Lessee in accordance with Sections 12.03 and 12.05 respectively of the Management Agreement, upon the consummation of such sale or purchase and payment in full to Lessor of the proceeds thereof shall no longer be subject to the Prime Lease and Lessee's obligation to pay rental under Section 4 hereof with respect to such Unit shall cease on the date such purchase shall be completed. Lessee shall receive a credit for any amount of rentals previously paid by it for which Lessee was not obligated to make such payment as a result of such sale or purchase, which credit shall be applied against future rentals due from Lessee pursuant hereto or otherwise adjusted pursuant to the terms of the Management Agreement.

#### Section 7. Net Lease.

The Prime Lease is a net lease and Lessee's obligation to pay all amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, Lessee shall not be entitled to any abatement of rent (except as provided in Section 3 hereof) or reduction thereof or setoff against rent (except as provided in Section 6 hereof), including but not limited to, abatements, reductions or setoffs due to any present or future claims of Lessee against

Lessor under the Prime Lease or otherwise or against any assignee of Lessor pursuant to Section 10 hereof; nor, except as otherwise expressly provided herein, shall the Prime Lease terminate, or the respective obligations of Lessor or Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Units of Equipment from whatsoever cause, the taking or requisitioning of the Units of Equipment by condemnation or otherwise, the lawful prohibition of Lessee's use of the Units of Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of the Prime Lease, or lack of right, power or authority of Lessor to enter into the Prime Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated by reason of a Casualty Occurrence, sold by Lessee on Lessor's behalf pursuant to Section 12.03 of the Management Agreement, purchased by Lessee in accordance with Section 12.05 of the Management Agreement or the Units of Equipment have been returned to the possession of Lessor (for all purposes of the Prime Lease any Unit of Equipment shall not be deemed to have been returned to Lessor's possession until all of Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units of Equipment except in accordance with the express terms hereof. Except as provided for in the Prime Lease, each rental or other payment made by Lessee hereunder shall be final and Lessee shall not seek to recover all or any part of such payment from Lessor or any assignee pursuant to Section 11 hereof for any reason whatsoever.

#### Section 8. Lessee's Indemnity.

Except as expressly provided herein or in the Management Agreement, Lessee agrees to indemnify, protect and hold harmless Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of the entering into or the performance of the Prime Lease, or the ordering, acquisition, use, operation, condition, delivery, rejection, storage or return of any Unit subject to the Prime Lease except to the extent such claim relates to a lien or encumbrance resulting solely from an act or omission of Lessor or by a person claiming by or through Lessor (other than Lessee or a Sublessee or a person claiming by or through either of them), not as the result of any action or failure to act by Lessee acting in its capacity of Manager, or arises from the gross negligence or willful misconduct of Lessor not related to the transactions contemplated by the Prime Lease, not as the result of any action or failure to act by Lessee acting in its capacity of Manager, and except as to claims for which a railroad or railroads have assumed responsibility. The indemnities arising under this Section shall continue in full force and effect with respect to any of the foregoing occurring during the term of the Prime Lease notwithstanding the full payment of all obligations under the Prime Lease or the termination of the Prime Lease.

Section 9. Default.

Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made by Lessee in the payment of any part of the rental provided in Section 4 hereof and such default shall continue for five Business Days;

(b) Lessee shall make or consent to any unauthorized assignment or transfer of the Prime Lease or of possession of any Unit of Equipment;

(c) Default shall be made in the observance or performance by Lessee of any other of its covenants, conditions and agreements contained herein and such default shall continue for 30 days after the earlier of (i) written notice from Lessor to Lessee specifying the default and demanding that the same be remedied or (ii) the date on which such default shall first become known to any officer of Lessee (or, if such default by its nature cannot with due diligence and dispatch be wholly cured within 30 days, Lessee shall fail immediately upon receipt of such notice or knowledge to commence with due diligence and dispatch the curing of such default or, having so commenced the curing of such default, shall thereafter fail to prosecute and complete the same with due diligence and dispatch);

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

(e) The Management Agreement is terminated by Lessor with respect to any Unit by reason of a Specified Event on the part of the Manager or is terminated by Lessor by reason of a Termination Event;

(f) Lessee becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for Lessee or for the major part of its property;

(g) A custodian, trustee or receiver is appointed for Lessee or for the major part of its property and is not discharged within 30 days after such appointment; or

(h) Bankruptcy, reorganization, arrangement or insolvency proceedings, or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors are instituted by or against Lessee and, if instituted against Lessee are consented to or are not dismissed within 60 days after such institution.

Section 10. Remedies.

(a) If an Event of Default has occurred and is continuing, Lessor or, in the event the Prime Lease shall be assigned to an assignee pursuant to Section 11 hereof, such assignee, at its option, may:

(1) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of the Prime Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(2) By notice in writing to Lessee, terminate the Prime Lease, whereupon all right of Lessee to the use of the Units of Equipment shall absolutely cease and terminate as though the Prime Lease had never been made, but Lessee shall remain liable as hereinafter provided. Thereafter, Lessor may by its agents enter upon the premises of Lessee or if the Units of Equipment are then subject to a Sublease and the Sublessee thereunder is in default in accordance with the terms of the Sublease, Lessor may by its agents enter upon the premises of the Sublessee or other premises where any of the Units of Equipment may be located and, in each case, take possession of all or any of the Units of Equipment and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its successors or assigns, to use such Units for any purpose whatever, but Lessor shall nevertheless have a right to recover from Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is the number of days to the date of termination and the denominator is the total number of days in such full rental period) and also to recover forthwith from Lessee as damages for loss of the bargain and not as a penalty, the following amount: (i) a sum with respect to each Unit of Equipment which represents the excess, if any, of the present worth at the time of such termination, of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of the Prime Lease with respect to such Unit over the then present worth of the then Fair Rental Value (as hereinafter defined) of such Unit for such period computed by discounting from the end of such term to the date of such termination rentals which Lessor reasonably estimates to be obtainable for the use of such Unit during such period, such present worth to be computed in each such case on a basis of a 9% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had the Prime Lease not been terminated; and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which Lessor shall have sustained by reason of the breach of any covenant or covenants of the Prime Lease other than for the payment of rental.

For purposes of this Section 10 the "Fair Rental Value" of any Unit of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease; provided that any rental in a commercially reasonable manner of any Unit of Equipment prior to any such determination shall conclusively establish the Fair Rental Value of such Unit.

(3) Take such other action with respect to a Sublease as Lessor may deem advisable, applying any amounts received thereon against Lessee's obligations to Lessor and remitting any excess to Lessee; and/or

(4) Take all other actions permitted to it by law or by the terms of the Prime Lease.

(b) The remedies in the Prime Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. Except as otherwise specifically provided for herein, Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by Lessee on its behalf in connection with the lease of the Units of Equipment.

(c) The failure of Lessor to exercise the right granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or reoccurrence of any such contingencies or similar contingencies.

(d) Lessee also agrees to furnish to Lessor promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under the Prime Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof and the steps that Lessee is taking to cure such Event of Default. For purposes of this Section 10(d), a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of Lessee contained in the Prime Lease, any corporate officer of Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of the Lease with respect thereto.

Section 11. Assignment by Lessor.

(a) It is understood that some or all of the Units furnished Lessee under the Prime Lease and Lessor's rights under the Prime Lease may at the time of delivery to Lessee or at some future time during the term of the Prime Lease be subject to the terms of a mortgage, deed of trust, equipment trust, pledge or assignment or similar security arrangement (including the Indenture). Lessee agrees that the Units may be stenciled or marked to set forth the ownership of any such Units in the name of a mortgagee, trustee, pledgee, assignee or security holder and that the Prime Lease and Lessee's rights hereunder are and shall at all times be subject and subordinate to any and all rights of any mortgagee, trustee, pledgee, assignee or security holder. As to the Units subject hereto, the Prime Lease and the rentals hereunder may have been assigned and may in the future be assigned to the holder, if any, of the superior lien from time to time on each Unit as determined with reference to the filings under 49 U.S.C. Section 11303, or any applicable successor provision, and Lessee agrees to recognize the rights of such superior lien holder and pay the rentals hereunder to such holder in accordance with the terms of such superior lien; provided that, until notified to the contrary by any Person reasonably proving to Lessee's satisfaction that he is the assignee of the Prime Lease and of the rentals hereunder, Lessee is to pay all rentals to the order of Lessor. Lessee hereby consents to and accepts such assignments. Lessee agrees that no claim or defense which Lessee may have against Lessor shall be asserted or enforced against any assignee of the Prime Lease.

(b) Lessee, at its own cost and expense, shall cause the Prime Lease, including each Prime Lease Schedule, to be filed or recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303, or any applicable successor provision, and Lessee shall promptly furnish Lessor with evidence thereof.

Section 12. Possession, Use and Subleases.

(a) Without the prior written consent of Lessor, Lessee shall not assign, convey or otherwise transfer any of its right, title or interest in, to or under the Prime Lease or the Units subject thereto except that any and all of its right, title and interest in and to the Prime Lease may be assigned, conveyed or transferred by Lessee to a Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with Lessee, provided that North American Car Corporation shall remain primarily liable for all obligations of Lessee under the Prime Lease as a principal and not as a surety.

(b) Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than

any of the foregoing created by affirmative action of Lessor or a failure of Lessor to act in an instance when it is required to act or Persons claiming through Lessor or resulting from claims against Lessor not related to the ownership of any Unit subject to the Prime Lease) upon or with respect to any Unit, including any accession thereto, or the interest of Lessor or Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises; provided, however, that Lessee shall be under no obligation to discharge any such lien, claim, security interest or encumbrance so long as it is contesting the same in good faith with due diligence and by appropriate legal proceedings and such contest does not in the reasonable opinion of Lessor adversely affect the title, interest, property or rights of Lessor hereunder. Lessee shall not without the prior written consent of Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units subject to the Prime Lease, except to the extent permitted by the provisions of Sections 12(a) and 12(c) hereof.

(c) Lessee shall be entitled to possess and use the Units subject to the Prime Lease, and shall have the right to enter into Subleases of Units of Equipment to a Sublessee and to lease the Group identified in a Prime Lease Schedule in accordance with the terms and provisions of the Prime Lease.

(d) If, as a result of the termination of a Sublease, Lessee shall regain possession or control of any Units subject to such Sublease prior to the expiration of the term of the Prime Lease with respect to such Units, and notwithstanding the provisions of Section 5.06 or 9.01 of the Management Agreement, Lessee need not use the same efforts as it would use with railroad equipment owned or managed by it or its affiliates, except that:

(1) no replacement Sublease of such Units shall have a term in excess of the remaining term of the Prime Lease with respect to such Units unless a longer term shall have been agreed to by Lessor;

(2) notwithstanding the provisions of Section 4.09 of the Management Agreement, the form of such replacement Sublease need not be approved by Lessor so long as the term of such replacement Sublease is not longer than the remaining term of the Prime Lease with respect to such Units; and

(3) such replacement Sublease shall have been described in a Prime Lease Schedule and such Prime Lease Schedule shall have been duly filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 or any applicable successor provision.

During the period that Lessee is attempting to re-lease such Units, Lessee shall be permitted to employ such Units in the same manner and to the same extent as other railroad equipment owned, operated or managed by Lessee or its affiliates and shall remain liable for the rental with respect to such Units pursuant to Section 4 hereof. Should Lessee be successful in re-leasing such Units under a sublease, Lessee's rights with respect to such sublease shall be as set forth in Section 12(c) hereof.

(e) If Lessee shall enter into a Sublease and such Sublease shall provide for a higher Periodic Rent than that provided therefor under the terminated Sublease, then Lessee shall first be entitled to recoup out of the excess rentals an amount equal to those rentals paid by Lessee to Lessor under Section 4 hereof with respect to that Unit for which Lessee did not receive payment from the Sublessee under the terminated Sublease. Thereafter, the monthly rental hereunder for such Unit, for the period that the Sublessee is making rental payments under the replacement Sublease shall be increased by an amount equal to the excess of such higher monthly rental over the monthly rent under the terminated Sublease. Lessee shall not be entitled to any reduction in the rental payable under Section 4 hereof with respect to any Unit if Lessee shall sublease such Unit for a monthly rental lower than that under the terminated Sublease.

#### Section 13. Interest on Overdue Payments.

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals or other obligations due hereunder shall result in the additional obligation on the part of the party obligated to make such payment to promptly pay to the other party an amount equal to interest at the rate of 15% per annum or such lesser rate as may be the maximum legally enforceable upon the overdue rentals or other obligations for the period of time which they are overdue.

#### Section 14. Collateral Assignment by Lessee of Subleases.

(a) As collateral security for the payment of any and all of the obligations and liabilities of Lessee due hereunder, Lessee does hereby grant to Lessor a security interest in and to each and all Subleases, and any guaranties in respect thereof, whether now existing or hereinafter entered into, and also in any and all extensions and renewals thereof, including the right to any and all sums and moneys, payable to Lessee pursuant thereto and any and all rights of Lessee to receive said sums and moneys;

provided, however, that so long as no Event of Default shall have occurred and be continuing, Lessee is hereby authorized to exercise all of its right, title and interest, powers, privileges and other benefits in each Sublease, including, without limitation, the immediate right to receive and collect (i) all rentals and other sums payable to or receivable by Lessee from the Sublessee under or pursuant to the provisions of such Sublease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise, (ii) all amounts which may be received or credited to the account of Lessee in respect of mileage compensation from railroads using any Unit or any other sums received by or payable to Lessee from parties other than the Sublessee with respect thereto, and (iii) Lessee may make such use of any amounts received as it would otherwise be entitled to, except for this assignment. As long as no Event of Default has occurred under the Prime Lease, Lessee shall not be required to exercise on Lessor's behalf any right under any Sublease or to commence any legal or other proceedings against a Sublessee in connection with Sublessee's performance under its Sublease.

(b) Lessee acknowledges and agrees that (i) all rights and interests of Lessor granted pursuant to this Section 14 may be further assigned by Lessor for collateral purposes only to any assignee in accordance with Section 11 hereof, and (ii) such collateral assignment provided for in this Section 14 shall not in any way obligate Lessor or any of its successors or assigns to perform or satisfy any of the obligations or liabilities of Lessee, as lessor under any of such Subleases.

(c) Subject to the limitations contained in this Section 14 (including without limitation the rights of Lessee under the provision of paragraph (a) of this Section and the Management Agreement), Lessee hereby irrevocably constitutes and appoints Lessor its true and lawful attorney-in-fact with full power of substitution for it in its name and stead to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums or properties which may be or become due, payable or distributable to and in respect of the interests assigned under this Section 14, with full power to settle, adjust or compromise any claim thereof or therefor as fully as Lessee could itself do and to endorse the name of Lessee on all commercial paper, checks, drafts, notes, acceptances and other evidences of payment given in payment or part payment thereof and all documents of satisfaction, discharge or receipt required or requested in connection therewith and, in its discretion, to file any claim, to take any other action or proceeding, either in its name or the name of Lessee or otherwise, which Lessor may deem necessary or appropriate to collect or otherwise realize upon any and all rights and interests assigned hereunder, or which may be necessary or appropriate to protect and preserve the right, title and interest of Lessor in and to the interests assigned under this Section 14.

(d) Upon the occurrence of any Event of Default under the Prime Lease, in addition to all other rights and remedies provided for herein, Lessor shall have, in connection with the assignment provided for in this Section 14, all the rights of a secured party under the Uniform Commercial Code of Illinois.

(e) Without limiting the foregoing, Lessee hereby further covenants that it will, upon the written request of Lessor, execute and deliver such further instruments and do and perform such other acts and things as Lessor may reasonably request to effectively vest in and secure to Lessor the interests assigned pursuant to this Section 14 or other rights or interests due or hereafter to become due.

(f) The satisfaction or discharge of any part of the obligations or liabilities of Lessee under the Prime Lease shall not in any way satisfy or discharge the assignment provided for in this Section 14, but such assignment shall remain in full force and effect so long as any amount remains unpaid on any such obligations or liabilities.

#### Section 15. Federal Income Taxes and Foreign Use.

Lessee acknowledges that Lessor (or an affiliate of Lessor shall be entitled to claim (or has claimed) for federal income tax purposes the investment tax credit (the "Investment Tax Credit") on the total original cost of the Units of Equipment as "new section 38 property" and depreciation deductions (the "Depreciation Deductions") on the total original cost of the Units of Equipment for each of its taxable years during the term of the Prime Lease under any method of depreciation permitted by Section 167(b) of the Internal Revenue Code of 1954, as amended (the "Code") for new equipment using the Asset Guideline Class Life 00.25 (Railroad Machinery and Equipment) in accordance with Section 167(m) of the Code over an Asset Depreciation Range on the basis of a lower limit of twelve years and an upper limit of eighteen years. Lessee agrees to take no action which would result in the loss, disallowance, recapture or unavailability to Lessor (or an affiliate of Lessor) of the Investment Tax Credit or the Depreciation Deductions. Lessee hereby indemnifies and holds harmless Lessor, its successors, assigns and affiliates from and against (a) any loss, disallowance, unavailability or recapture of the Investment Tax Credit or the Depreciation Deductions resulting from any action, statement or failure to act by Lessee or any agent or employee of Lessee (other than an authorized sale by Lessee of a Unit on Lessor's behalf), plus (b) all interest penalties or additions to tax resulting from such loss, disallowance, unavailability or recapture, plus (c) all taxes required to be paid by Lessor and its affiliates upon receipt of the indemnity set forth in this Section 15.

Lessee agrees that if any of the cars are used outside of Continental United States, Lessee shall reimburse Lessor for any customs, duties, taxes, investment tax credit reductions or other expenses resulting from such use.

Section 16. Notices.

Any notice, certificate, document, acceptance or report required or permitted to be given by either party hereto to the other party shall be in writing and shall be deposited in the United States mail, first-class postage prepaid, or delivered by a superior means, addressed as follows:

If to Lessor:

Manufacturers National Bank of Detroit  
as Trustee under The American Road Owner  
Trust No. 2  
100 Renaissance Center  
Detroit, Michigan 48243  
Attention: Corporate Agencies Administration

With copies to:

Ford Motor Credit Company  
The American Road  
Post Office Box 1729  
Dearborn, Michigan 48121  
Attention: Vice President - CIR Financing

If to Lessee:

North American Car Corporation  
33 West Monroe  
Chicago, Illinois 60603  
Attention: Director, Investor Management Programs

(with copies to the attention of the  
Vice President - Finance)

or addressed to any party hereto at such other address as such party shall hereafter furnish to the other parties hereto.

Any notice shall be deemed given, unless earlier received, (i) if sent by certified or registered mail, return receipt requested, 96 hours after being deposited in the United States mail, postage prepaid, (ii) if sent by United States Express Mail, 48 hours after being deposited in the United States mail, postage prepaid, (iii) if sent by telex or facsimile transmission, on the date sent provided confirmatory notice shall be sent by first-class mail, postage prepaid, or (iv) if delivered by hand, on the date of receipt.

Section 17. Headings.

The descriptive headings of the several sections hereof are inserted for convenience only and do not constitute part of the Prime Lease.

Section 18. No Recourse.

The Prime Lease is executed by MANUFACTURERS NATIONAL BANK OF DETROIT, not in its individual capacity, but solely as trustee under The American Road Owner Trust No. 2 in the exercise of the power and authority conferred upon and vested in it as such Trustee. No personal liability shall be asserted or be enforceable against said Trustee because of or in respect of the Prime Lease.

Section 19. Severability; Modification of the Prime Lease.

Any provision of the Prime Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. No variation or modification of the Prime Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for Lessor and Lessee.

Section 20. Execution.

The Prime Lease and each Prime Lease Schedule may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart of each such instrument which is delivered to Lessor shall be deemed to be the original counterpart and shall be so marked. The actual date or dates of execution of the Prime Lease by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements annexed.

Section 21. Law Governing.

The terms of the Prime Lease and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303(a).

IN WITNESS WHEREOF, the parties hereto have caused the Prime Lease to be executed in their respective corporate names by officers there-

unto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

NORTH AMERICAN CAR CORPORATION

By Harold Long  
Its Director of Investor  
Management Program

[CORPORATE SEAL]

Attest:

[Signature]  
Assistant Secretary

MANUFACTURERS NATIONAL BANK OF  
DETROIT, not in its indi-  
vidual capacity but solely  
as trustee.

By [Signature]  
Its VICE PRESIDENT

[CORPORATE SEAL]

Attest:

By [Signature]  
Title Trust Officer

STATE OF Michigan }  
COUNTY OF Wayne } SS.

On this 26th day of February, 1981 before me personally appeared JOSEPH F. BECK and GARY A. FAILLA to me personally known, who being by me duly sworn says that they are, respectively, the VICE President and Trust Officer of MANUFACTURERS NATIONAL BANK OF DETROIT, a national banking association, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said Association by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Association.

Jane E. Clement  
Notary Public

[SEAL]

My Commission Expires: JANE E. CLEMENT  
Notary Public, Wayne County, Michigan  
My Commission Expires August 30, 1981

STATE OF Illinois }  
COUNTY OF Cook } SS.

On this 2nd day of March, 1981 before me personally appeared Harold Wong and E. H. Soderstrom to me personally known, who being duly sworn says that they are, respectively, the Director - Inv. Maint. - President and ASST Secretary of NORTH AMERICAN CAR CORPORATION, that the seal 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Debra A. Kelly  
Notary Public

[SEAL]

My Commission Expires: My Commission Expires Feb. 23, 1983

EXHIBIT I

PRIME LEASE SCHEDULE NO. \_\_\_\_\_

TO EQUIPMENT LEASE DATED AS OF JUNE 10, 1980

This PRIME LEASE SCHEDULE NO. \_\_\_\_\_, dated as of \_\_\_\_\_, 19\_\_\_\_, to the Equipment Lease (the "Prime Lease") dated as of June 10, 1980 is entered into between Manufacturers National Bank of Detroit, not individually but solely as trustee under The American Road Owner Trust No. 2 ("Lessor") and North American Car Corporation, a Delaware corporation ("Lessee").

1. This Prime Lease Schedule No. \_\_\_\_\_ supplements the Prime Lease and all the terms and covenants contained in the Prime Lease (i) are incorporated herein by reference to the extent that such terms and covenants are not inconsistent with this Prime Lease Schedule, (ii) shall be construed in connection with and as part of the Prime Lease, and (iii) shall be and remain in full force and effect. Terms used herein without definition shall have the meaning set forth therefor in the Prime Lease.

2. The Units of Equipment subject to the Prime Lease are more fully described as follows:

<u>No. of Units</u>	<u>Description</u>	<u>Serial No.</u>
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3. The Units of Equipment above described have been subleased to the following Sublessee, \_\_\_\_\_, pursuant to a Sublease commonly known as \_\_\_\_\_ dated as of \_\_\_\_\_, 19\_\_\_\_.

4. The Periodic Rent for the above described Units of Equipment shall be the amount per month indicated below. The Periodic Rent shall be payable in accordance with Section 4 of the Prime Lease, subject to the credits provided for in Sections 3 and 6 thereof.

No. of Units      Description      Periodic Rent

5. The term of the Prime Lease with respect to the Units of Equipment described in this Prime Lease Schedule shall commence on \_\_\_\_\_, and shall continue for a term of \_\_\_\_\_ years (after \_\_\_\_\_), unless sooner terminated in accordance with the Prime Lease.

6. Other terms and provisions

IN WITNESS WHEREOF, the parties have caused this Prime Lease Schedule to be executed in their respective corporate names, by officers thereunto duly authorized, and their respective corporate seals affixed and duly attested, all on the day and year first above written.

NORTH AMERICAN CAR CORPORATION

By \_\_\_\_\_

Its \_\_\_\_\_

[CORPORATE SEAL]

Attest:

\_\_\_\_\_  
Secretary

MANUFACTURERS NATIONAL BANK OF  
DETROIT, not in its indi-  
vidual capacity but solely  
as trustee.

By \_\_\_\_\_

Its \_\_\_\_\_

[CORPORATE SEAL]

Attest:

By \_\_\_\_\_

Title \_\_\_\_\_

STATE OF

COUNTY OF

)  
)  
)  
SS.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_ before me personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known, who being by me duly sworn says that they are, respectively, the \_\_\_\_\_ President and \_\_\_\_\_ Secretary of NORTH AMERICAN CAR CORPORATION, that the seal 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

\_\_\_\_\_  
Notary Public

[SEAL]

My Commission Expires:

STATE OF

COUNTY OF

)  
)  
)  
SS.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_ before me personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me personally known, who being by me duly sworn says that they are, respectively, the \_\_\_\_\_ President and \_\_\_\_\_ of MANUFACTURERS NATIONAL BANK OF DETROIT, a national banking association, that the seal affixed to the foregoing instrument was signed and sealed on behalf of said Association by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Association.

\_\_\_\_\_  
Notary Public

[SEAL]

My Commission Expires: