

UNION PACIFIC RAILROAD COMPANY

LAW DEPARTMENT

1416 DODGE STREET



OMAHA, NE. 68179

C. BARRY SCHAEFER
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WILLIAM P. HIGGINS
Assistant Vice President-Law
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General Counsel
ROBERT N. WEATHERBEE
FREDERICK W. READ III
Associate General Counsel
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General Solicitor

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JEROME GIVEN
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BRENDA J. WARREN
Attorneys

RECORDATION NO. 13117-B Filed 10/20/81

OCT 20 1981-1 25 PM

October 16 1981
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 13117-A Filed 10/20/81

OCT 20 1981-1 25 PM
Ms. Agathon L. Mergenovich
SECRETARY

RECORDATION NO. 13117-C-293A Filed 10/20/81

OCT 20 1981-1 25 PM
No. 70-80
Date OCT 20 1981

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Washington, D. C.

Dear Ms. Mergenovich:

There are enclosed herewith for filing and recording pursuant to §11303 of the Interstate Commerce Act an executed original and four (4) executed counterparts of each of the following documents relating to Equipment Lease Agreements between Union Pacific Railroad Company, having a place of business at 1416 Dodge Street, Omaha, Nebraska 68179, and The Western Pacific Railroad Company, having a place of business at 526 Mission Street, San Francisco, California 94105:

1. Equipment Lease Agreement dated as of March 1, 1981, covering the leasing by Union Pacific Railroad Company to The Western Pacific Railroad Company of 100 100-ton open-top hopper cars (C.D. No. 53599-6);

2. First Addendum (C.D. No. 53599-3-B), dated as of May 12, 1981, providing for the addition of 15 coil flatcars to an Equipment Lease Agreement dated as of April 2, 1980, covering the leasing by Union Pacific Railroad Company to The Western Pacific Railroad Company of 40 coil flatcars, filed and recorded pursuant to 49 U.S.C. §11303 on May 27, 1980, and assigned Recordation No. 13117.

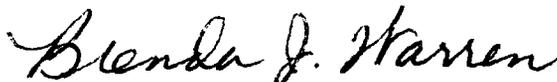
Vertical stamp on the right margin.

3. Second Addendum (C.D. No. 53599-3-D), dated as of September 9, 1981, providing for the addition of 9 coil flatcars to an Equipment Lease Agreement dated as of April 2, 1980, covering the leasing by Union Pacific Railroad Company to The Western Pacific Railroad Company of 40 coil flatcars, filed and recorded pursuant to 49 U.S.C. §11303 on May 27, 1980, and assigned Recordation No. 13117.

After filing and recordation please return the counterparts marked "Duplicate Original UP or UPRR Counterpart" and "Duplicate Original WP or Lessee's Counterpart" of each of the enclosed agreements to Valerie W. Scott, General Counsel, Union Pacific Railroad Company, 1416 Dodge Street, Omaha, Nebraska 68179.

The fee of \$70.00 for filing and recordation is enclosed herewith.

Very truly yours,


Brenda J. Warren

Enclosures

Duplicate Original
UPRR Counterpart

EQUIPMENT LEASE

RECORDATION NO. 13117A Filed 1425

OCT 20 1981 - 1 25 PM

INTERSTATE COMMERCE COMMISSION

UNION PACIFIC RAILROAD COMPANY,

Lessor,

to

THE WESTERN PACIFIC RAILROAD COMPANY,

Lessee.

Dated as of March 1, 1981

RECORDATION NO. _____

Filed and Recorded with the I.C.C. Pursuant to Section 11303
of the Interstate Commerce Act on 10 / 20,
1981, at 1:35 A.M.

EQUIPMENT LEASE

THIS LEASE, made and entered into as of the 1st day of March, 1981, by and between UNION PACIFIC RAILROAD COMPANY, a Utah corporation (hereinafter called the Lessor), and THE WESTERN PACIFIC RAILROAD COMPANY, a Delaware corporation (hereinafter called the Lessee).

WHEREAS, the Lessee desires to lease the equipment (hereinafter the Equipment) identified on Exhibit A, hereto attached; and

WHEREAS, the Lessor is willing to lease to the Lessee the Equipment;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept, observed and performed by the Lessee, the Lessor hereby leases the Equipment to the Lessee subject to the following terms and conditions, namely:

Section 1. DELIVERY AND ACCEPTANCE OF UNITS.

Delivery and possession of each unit under this Lease shall be at that time and place when the Lessor delivers each unit of Equipment (hereinafter unit) to the Lessee at Salt Lake City, Utah (hereinafter the Interchange Point). Freight charges for transportation of each unit to the Interchange Point shall be borne by the Lessor. Upon delivery of each unit to the Lessee, the Lessee will cause the unit to be inspected by its authorized representative. If such representative finds that the unit is in good and serviceable condition and if delivery is accepted, the Lessee will cause such representative to execute and deliver to the Lessor a Certificate of Acceptance (in a form substantially as that set forth in Exhibit B attached hereto) stating that such unit has been inspected and accepted on behalf of the Lessee. Such Certificate of Acceptance shall be conclusive evidence that the unit or units covered thereby has or have been delivered to and accepted by the Lessee in good and serviceable condition acceptable to the Lessee in all details.

Section 2. RENTALS.

The Lessee agrees to pay the Lessor rental at the rate specified on Exhibit A.

Rentals on each unit shall commence on the date of delivery of each unit by the Lessor at the Interchange Point and shall continue as to each unit until the unit is returned to the Lessor at the return interchange point as provided in Section 15. Rental is payable prior to the calendar month for which due and shall be pro-rated on a daily basis during the first calendar month of the Lease.

All payments provided for in this Lease to be made to the Lessor shall be made to the Lessor at 1416 Dodge Street, Omaha, Nebraska, 68179, or at such other place as the Lessor shall specify in writing.

This Lease is a net lease, and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to abatements, reductions or set-offs due or alleged to be due to, or by reason of, any past, present or future claims of the Lessee against the Lessor under or with respect to this Lease or otherwise, or against any Manufacturer or against any person or entity having or claiming to have a beneficial interest in any unit; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect or alleged defect in or damage or alleged damage to or loss or loss of possession or loss of use of or destruction of all or any of the units from whatsoever cause, the prohibition of, or other restriction against the Lessee's use of all or any of the units, the interference with such use by any private person or entity, the invalidity, illegality or unenforceability or lack of due authorization of this Lease, or lack of right, power or authority of the Lessor to enter into and/or perform this Lease, or by reason of any failure by the Lessor to perform any of its obligation herein contained, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

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REPRODUCED 1-1-68
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Section 3. TERM OF LEASE.

The term of the Lease as to each unit shall begin on the date of the delivery of the unit to the Lessee at the Interchange Point and, subject to the provisions of this Lease, shall terminate on March 31, 1982.

Section 4. IDENTIFICATION MARKS.

The Lessee shall carefully preserve the owners' and Lessor's colors and markings on the Equipment leased hereunder and shall maintain the identity thereof; provided, however, that the Lessee may change the reporting marks, as specified in Section 5 of this Lease. The Lessee shall not allow the name of any person, association or corporation to be placed on any of the units as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than the owner.

Section 5. NUMBERING.

The Lessee shall not change, or permit to be changed, the identifying number on any of the units except that "UP" in the reporting marks shall be changed to read "WP" during the terms of this Lease (as illustrated in Exhibit A). Upon redelivery of the Equipment to the Lessor, the Lessee will change the reporting marks back to the original "UP" initials.

Section 6. TAXES.

The Lessee agrees that, in addition to the other payments provided herein, it will timely pay, or promptly reimburse the Lessor should payment be made by it, for all local, State or Federal rental, use, gross receipts in the nature of sales taxes, occupation, franchise and other taxes (excluding any Federal income and excess profits taxes and excluding also any local or State property, income, gross receipts, franchise, excess profits and similar taxes, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), fees, charges, assessments or licenses (hereinafter collectively called Impositions), the nonpayment of which might result in any lien or encumbrance upon any of the units or adversely affect the title or interest of the Lessor in or to any of the units. The Lessee further agrees that it will promptly pay or reimburse the Lessor for any interest or penalties payable by the Lessor resultant from any delay in paying any Imposition which the Lessee has herein agreed to pay or reimburse, or from the failure of the Lessor to withhold or collect or pay over any Imposition. Notwithstanding the

foregoing, the Lessee shall not be required to pay or reimburse any Imposition or any such interest or penalties so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgment of the Lessor, the rights or interests of the Lessor will be adversely affected.

In the event any reports with respect to Impositions are required to be made on the basis of individual units, the Lessee will either make such reports in such manner as to show the interest of the Lessor in such units or will notify the Lessor of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any Impositions, interest or penalties pursuant to this section, such liability shall continue, notwithstanding the expiration of the term of this Lease, until all Impositions, interest or penalties are paid or reimbursed by the Lessee.

Section 7. MAINTENANCE; PAYMENT FOR UNITS SUFFERING CASUALTY OCCURRENCE.

The Lessee shall at all times maintain and keep all of the units subject to this Lease in good order and good running repair under a repair program consistent with the useful life of each of the units, at its own cost and expense.

In the event that any unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged or otherwise rendered permanently unfit for use from any cause whatsoever (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, the Lessee shall promptly (after it has knowledge of such Casualty Occurrence) and fully inform the Lessor in regard thereto. The Lessee shall, on the earlier of the next succeeding rental payment date in respect of such unit or the expiration of the term of this Lease, pay to the Lessor a sum equal to the Casualty Value of such unit as of the date of such Casualty Occurrence. For purposes of this Section the term Casualty Value shall be deemed to be the settlement value of equipment destroyed by a foreign line computed in accordance with the formula set forth in AAR Rule 107 - Damaged and/or Destroyed Cars Handling Line Responsibility.

Upon making such payment in respect of any units, rentals of such units shall cease as of the date of such payment and the term of this Lease as to such units shall terminate. The Lessor shall prepare and submit to the Lessee a revised rental payment schedule, reflecting such payment and setting forth the rental payment required for all units remaining under this Lease.

Except as hereinabove in this section provided, the Lessee shall not be released from its obligation hereunder in the event of any Casualty Occurrence to any unit after delivery to and acceptance thereof by the Lessee hereunder.

Section 8. COMPLIANCE WITH LAWS AND RULES.

The Lessee agrees to comply with all governmental laws, regulations and requirements, with the Rules of Interchange of the Association of American Railroads (or of any successor thereto), and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, with respect to the use, maintenance and operation by the Lessee of each unit subject to this Lease, in case any equipment or appliance on any such unit shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on such unit in order to comply with such laws, regulations, requirements and Rules, effective after the date of the delivery of such unit, the Lessee agrees to maintain such unit in full compliance with such laws, regulations, requirements and Rules so long as it is subject to this Lease.

Any and all additions to the units and any and all replacements of any parts of any unit and additions thereto (except such as are not required pursuant to the first paragraph of this section and may be removed without in any way affecting or impairing either the originally intended function or the use of such unit) shall be considered accessions to such unit and title thereto shall be immediately vested in the Lessor.

Section 9. INDEMNITY.

The Lessee agrees to indemnify and save harmless the Lessor against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith including counsel fees, by reason of the ownership by the Lessor of

any unit or the use or operation thereof by the Lessee while it is subject to this Lease, or in any manner arising out of or as a result of the delivery and acceptance of any units under or while it is subject to this Lease or the use or operation of any unit while it is subject to this Lease. The Lessee agrees further to indemnify and save harmless the Lessor against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Lessor because of the use in or about the construction of the units, or any thereof of any design specified by the Lessee, or article or material specified by the Lessee, and not manufactured by the manufacturer of such unit, which infringes, or is claimed to infringe, on any patent or other right. The indemnities contained in this paragraph shall continue in full force and effect notwithstanding the full payment of all other obligations under this Lease or the termination of this Lease in any manner whatsoever.

Section 10. NO GUARANTY OF UNINTERRUPTED USE OR FITNESS OR SUITABILITY OF EQUIPMENT.

The Lessor does not guarantee uninterrupted operation of the Equipment or the suitability of the Equipment for the purpose for which leased to the Lessee, and shall not be liable to the Lessee for any delays or loss resulting from failure of the Equipment during the term hereof.

The Lessor makes no warranty or representation, either expressed or implied, as to the fitness, design or condition of, or as to the quality of the material, equipment or workmanship in, the units delivered to the Lessee hereunder, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee.

Section 11. OPINION OF COUNSEL.

Concurrently with the execution and delivery of this Lease, the Lessee will deliver to the Lessor the written opinion of counsel for the Lessee, in scope and substance satisfactory to the Lessor and its counsel, to the effect

A. that the Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of the State of Delaware, with adequate corporate power to enter into this Lease;

B. that this Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding agreement of the Lessee enforceable in accordance with its terms;

C. that if this Lease is filed with the Interstate Commerce Commission pursuant to Section 11303 of the Interstate Commerce Act, it need not, in order to protect the Lessor's interest in and to the units in the United States of America, be otherwise filed, deposited, registered or recorded with any other Federal, State or local government in the United States of America;

D. that no approval is required from any public regulatory body with respect to the entering into or performance of this Lease; and

E. that the entering into and performance of this Lease will not result in any breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon the Lessee's leasehold interest under this Lease in the units (except to the extent that the provisions of any existing mortgage or indenture affecting property of the Lessee may attach to such leasehold interest or require the same to be subjected thereto) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it may be bound.

Section 12. RECORDING.

The Lessor will cause this Lease to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and wherever else as may be required by law for the purpose of proper protection, to the satisfaction of counsel for the Lessor, of the Lessor's rights and/or title to the units and of its other rights hereunder; and the Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file and record wherever required any and all further instruments required by law or reasonably requested by the Lessor for the purpose of proper protection, to the satisfaction of counsel for the Lessor, of its rights and/or title to the units and its other rights under this Lease or for the purpose of carrying out the intention of this Lease. The Lessee will pay all costs, charges and expenses incident to the filing, refiling, depositing, redepositing, registering, reregistering, recording and rerecording of this Agreement and incident to the preparation, execution, filing, refiling, depositing, redepositing, registering, reregistering, recording and rerecording of any such further instrument or incident to the taking of any such other action.

Section 13. NOTICES.

Any notices required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States mails, first-class postage prepaid, addressed as follows:

If to the Lessor:

UNION PACIFIC RAILROAD COMPANY,
1416 Dodge Street
Omaha, Nebraska 68179
Attention: Vice President-Finance and
Administration

If to the Lessee:

THE WESTERN PACIFIC RAILROAD COMPANY,
526 Mission Street
San Francisco, California 94105
Attention: Senior Vice President-Finance

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

Section 14. DEFAULT. If, during the continuance of this Lease, one or more of the following events (herein sometimes called events of default) shall occur:

A. default shall be made in the payment of any part of the rental provided in Section 2 hereof and such default shall continue for 30 days;

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the units, or any thereof, and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest herein and to recover possession of such units within 30 days after written notice from the Lessor to the Lessee demanding such cancellation and recovery of possession;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and demanding the same to be remedied;

D. a petition for reorganization under Section 1161 et seq. of the Bankruptcy Act, as now constituted or as said Section 1161 et seq. may be hereafter amended,

shall be filed by or against the Lessee, and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings, or otherwise given a status comparable to the obligations incurred by such a trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier;

E. any other proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments or indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Lessee hereunder), and all of the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings, or otherwise given a status comparable to obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then, in any such case, the Lessor, at its option may

(a) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all right of the Lessee in or to the units, or as to the use thereof, shall absolutely cease and determine as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the units may be and take possession of all or any of such units (and may use and employ, in connection with such repossession, any supplies, services and aids and any available trackage and other facilities or means of the Lessee, with or without process of law) and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or

assigns, to use the units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination and, in the case of those events of default specified in subparagraphs A, B, C, D and E hereof, also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum which represents the excess of the present worth, at the time of such termination, of the aggregate rental for each unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of such units over the then present worth of the fair rental value of such units for such period, such present worth to be computed in each case on the basis of a 5.5% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants herein contained.

The remedies in this Lease provided in favor of the 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. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law.

The failure of the Lessor to exercise the rights granted it hereunder upon any occurrences of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

Section 15. RETURN OF UNITS/REPAIRS.

Upon termination or expiration of the term of this Lease with respect to any unit, the Lessee shall forthwith deliver possession of such unit, to the Lessor in good order and repair, ordinary wear and tear excepted. For the purpose of delivering possession of any units to the Lessor as above required, the Lessee shall at its own cost and expense

A. forthwith assemble the units and place them upon such storage tracks of the Lessee as the Lessor may designate or, in the absence of such designation, as the Lessee may select,

B. permit the Lessor to store the units on such tracks for a period not exceeding 100 days at the risk of the Lessor, and

C. transport the same in such groups as the Lessor may reasonably select, at any time within such 100-day period, to any place or places on the lines of railroad operated by it or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage and transporting of the units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the units.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee with full power and authority, at any time while the Lessee is obligated to deliver possession of any unit to the Lessor, to demand and take possession of such unit in the name and on behalf of the Lessee from whosoever shall be at the time in possession of such unit.

Upon return of the Equipment to the Lessor, the Lessee shall, promptly upon receipt of bill therefor, reimburse the Lessor for the cost of any repairs to the Equipment resulting from the possession and/or use thereof by the Lessee or from any cause whatsoever growing out of the Lessee's possession and/or use thereof (ordinary wear and tear excepted), and the cost of any and all cleaning, painting and/or conditioning of the Equipment as will, in the sole judgment of the Lessor, be necessary to fit the Equipment for reuse in the general service of the Lessor. If, in order to make such repairs or to perform such cleaning, painting or conditioning, it shall be necessary for the Lessor to transport the Equipment to the Lessor's shops, the

Lessee agrees to pay to the Lessor, in addition to the cost of performing such work, transportation charges to and from the point where the work is performed. The transportation charges, at rates to be determined by the Lessor, shall be paid at the time and in the manner specified by the Lessor. It is expressly understood and agreed that rental on the Equipment, repaired, cleaned, painted and/or conditioned at the expense of the Lessee as herein provided, will not cease or abate during the time it is in possession of the Lessor for such repairs, cleaning, painting or conditioning.

Section 16. TERMINATION ON NOTICE.

This Lease may be terminated by either party hereto by written notice given to the other party on any date in such notice stated, not less, however, than thirty (30) days subsequent to the date on which such notice shall be given.

Section 17. SUBLETTING AND ASSIGNMENT PROHIBITED.

The Lessee agrees not to let or sublet the Equipment, in whole or in part, or to assign this Lease without the consent in writing of the Lessor, and it is agreed that any transfer or assignment of this Lease, whether voluntary, by operation of law, or otherwise, without such consent in writing shall be absolutely void and shall, at the option of the Lessor, terminate this Lease.

Section 18. SUCCESSORS AND ASSIGNS.

Subject to the provisions of Section 17 hereof, this Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

Section 19. USL MEMORANDUM OF UNDERSTANDING AND TRUST AGREEMENT.

The units of Equipment hereby leased bearing identification numbers UP 41400 thru UP 41497 are subject to that certain MEMORANDUM OF UNDERSTANDING dated September 18, 1980, by and between the Lessor and the Trust Company for USL, Inc., (USL, Inc.) regarding the lease of certain equipment covered by that certain equipment lease referred to therein. This Lease is made subject to the rights of USL, Inc., in and to said Equipment, including the rights of USL, Inc., upon the happening of an event of default under the Memorandum of Understanding.

The units of Equipment hereby leased bearing identification numbers 38700, 38702-38708 and 38711-38714 are subject to the following UNION PACIFIC EQUIPMENT TRUST and Equipment Trust Agreement:

UNION PACIFIC EQUIPMENT TRUST NO. 1 of 1975 and an Equipment Trust Agreement, dated as of November 1, 1974, filed and recorded pursuant to 49 U.S.C. Section 11303 on November 27, 1974 (Recordation No. 7729), between THE CHASE MANHATTAN BANK (National Association), Trustee and the Lessor.

This Lease is made subject to the rights of the Trustee in and to said Equipment, including the rights of the Trustee upon the happening of an event of default under the Equipment Trust Agreement.

The Lessee shall preserve and, if removed, defaced, or destroyed, shall promptly replace the plates or marks on the respective units of equipment plainly stating, in letters not less than one (1) inch in height, the following:

Unit Nos. 41400-41497:

"Leased through United States Leasing International, Inc., as agent for Trustee-Vendee, and subject to a security interest recorded with the I.C.C."

or

Unit Nos. 38700, 38702-38708 and 38711-38714:

"UNION PACIFIC EQUIPMENT TRUST NO. 1 of 1975; THE CHASE MANHATTAN BANK (National Association), TRUSTEE, OWNER, LESSOR.

Section 20. EXECUTION IN COUNTERPARTS.

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

IN WITNESS WHEREOF, the parties hereto, pursuant to due corporate authority, have caused these presents to be

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

Attest:

 (Seal)
Assistant Secretary

UNION PACIFIC RAILROAD COMPANY,

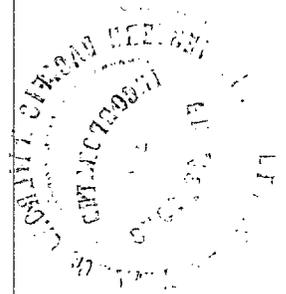
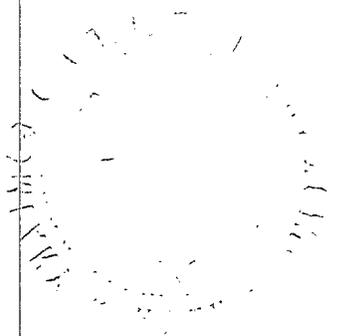
By 
President

Attest:

 (Seal)
Secretary

THE WESTERN PACIFIC RAILROAD COMPANY,

By 
Sr. Vice President-Finance



Approved as to form:

Brenda J. Warren
Attorney

LAW DEPT. C.D.
UNION PACIFIC
OMAHA

EXHIBIT A

EQUIPMENT LEASED

100, 100-ton open-top hopper cars

<u>UP Identifying Marks</u>	<u>No. of cars</u>	<u>WP Identifying Marks</u>
UP 41400 - 41401	2	WP 41400 - 41401
UP 41403 - 41406	4	WP 41403 - 41406
UP 41408 - 41436	29	WP 41408 - 41436
UP 41438 - 41457	20	WP 41438 - 41457
UP 41458	1	WP 41458
UP 41460 - 41469	10	WP 41460 - 41469
UP 41471 - 41477	7	WP 41471 - 41477
UP 41479 - 41485	7	WP 41479 - 41485
UP 41487 - 41490	4	WP 41487 - 41490
UP 41494 - 41497	4	WP 41494 - 41497
UP 38700	1	WP 38700
UP 38702 - 38708	7	WP 38702 - 38708
UP 38711 - 38714	4	WP 38711 - 38714
	100	

Section 2: Rental Rate

Cars in UP series 41400-41497, \$86.00 per car
per month

Cars in UP series 38700-38714, \$150.00 per car
per month

EXHIBIT B

CERTIFICATE OF ACCEPTANCE
EQUIPMENT LEASE

TO: UNION PACIFIC RAILROAD COMPANY

I, duly appointed inspector and authorized representative of THE WESTERN PACIFIC RAILROAD COMPANY ("Lessee"), for the purposes of the Lease dated as of March 1, 1981, between the Lessee and UNION PACIFIC RAILROAD COMPANY ("Lessor") do hereby certify that I have inspected, received, approved and accepted delivery, on behalf of the Lessee, of the following items of equipment ("Equipment"):

TYPE OF EQUIPMENT:

NUMBERED:

PLACE ACCEPTED:

DATE ACCEPTED:

I do further certify that the foregoing unit(s) is (are) in good and serviceable condition.

Inspector and Authorized
Representative
THE WESTERN PACIFIC RAILROAD COMPANY

