

CHICAGO AND



TRANSPORTATION COMPANY

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ASSISTANT SECRETARIES

DIRECT DIAL NUMBER  
312/454-6535

July 17, 1981

File No. A-11589

RECORDATION NO. 13191  
JUL 20 1981 - 10 14 28 AM

INTERSTATE COMMERCE COMMISSION

1-201A855  
No. ...  
Date JUL 20 1981  
Fee \$ 50.00 + \$ 50.00

RECORDATION NO. 13191  
JUL 20 1981 - 10 14 28 AM  
Washington, D. C.

INTERSTATE COMMERCE COMMISSION

Agatha L. Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

Dear Ms. Mergenovich:

Pursuant to Section 11303 (formerly Section 20c) of the Interstate Commerce Act, enclosed for recordation are counterparts of:

1. Reconstruction Agreement dated as of July 7, 1981, between Greyhound Leasing and Financial Corporation, Greyhound Tower Phoenix, Arizona 85077, and Chicago and North Western Transportation Company, 400 West Madison Street, Chicago, Illinois 60606 covering reconstruction of up to 120 railroad box cars and 9-bay window railroad cabooses.
2. Equipment Lease Agreement dated as of July 7, 1981, between Greyhound Leasing and Financial Corporation, Greyhound Tower, Phoenix Arizona 85077, Lessor, and Chicago and North Western Transportation Company, 400 West Madison Street, Chicago, Illinois 60606, Lessee, covering 100-ton railroad boxcars, CNW Nos. 91650-91766 and 30 bay-window railroad cabooses, CNW Nos. 11221-11229.

Enclosed are two checks each for \$50.00 to cover your recording fees for each agreement. Please keep one counterpart for your files and return the other counterparts showing your recordation data. Please assign the same recordation number in sequential order to the Reconstruction Agreement and then to the Equipment Lease Agreement.

Very truly yours,

J. S. Edwards  
Assistant Secretary

JSE:baf  
Enclosures

- cc: G. R. Charles
- R. D. Smith
- F. E. Cunningham, Attn: R. DeWitt
- T. E. Greenland
- R. F. Guenther, Attn: J. James

D. E. Stockham, Attn: P. J. Brod  
Arthur Anderson & Co.  
Attn: G. Holdren

*J. P. M.*  
*Counterpart*

JUL 20 1981 AM '81  
RECORDED

RECORDATION NO.

13191-A

COUNTERPART

No. 3 of 4

JUL 20 1981 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE AGREEMENT

LESSOR: GREYHOUND LEASING & FINANCIAL CORPORATION ("Lessor")

LESSEE: The undersigned ("Lessee") at the address set forth on the signature page hereof.

1. LEASE. Subject to the terms of this Equipment Lease Agreement together with the Supplement, Schedule and Exhibits hereto (the "Lease"), Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the equipment together with all attachments, replacements, parts, additions and repairs incorporated therein and affixed thereto (herein referred to by type as "Boxcars" or "Cabooses" and collectively as the "Units"), initially described in and thereafter described in each and all Schedules ("Schedules") hereto signed by the parties and thereby made a part hereof.

2. TERM; RENTAL; AND PAYMENTS.

(a) Lessee will pay as rental ("Rental"), for use of the Units the payments in the amounts, at such times and for the entire lease term ("Term") specified in Supplement No. 1 to this Lease. The Rental and the Term with respect to Supplement No. 1 shall commence on the date specified in Supplement No. 1 which also shall be the date of the applicable Schedule.

(b) All payments to be made by Lessee hereunder will be free of expense to Lessor for collection or other charges and will be free of expense to Lessor with respect to the amount of any local, state, Federal or foreign taxes (income, gross receipts, franchise, sales, use, property (real or personal, tangible or intangible) stamp and minimum (imposed under Section 56 of the Internal Revenue Code of 1954, as amended) taxes, or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges fines and penalties being hereinafter called "impositions") hereafter levied or imposed upon or in connection with or measured by any Unit or this Lease or any rental, ownership, possession, use, payment, shipment, delivery, nondelivery, rejection, transfer of title, return or other disposition of the Units (other than a disposition by Lessor following return of any Units in accordance with Section 10 hereof), under the terms hereof (other than any Federal, state or local income tax and, to the extent that Lessor receives credit therefor against its Federal income tax liability, any foreign income tax, except as provided herein and other than taxes which are in substitution for or which relieve Lessor from the burden of Federal, state and local income taxes) and Lessee shall also indemnify Lessor for state and local income taxes and fees in excess of the amount of any such taxes which would be payable to the state and city in which Lessor has its

principal place of business without apportionment to any other state, all of which impositions Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof or upon the receipts or earnings arising therefrom (except as provided above) or upon Lessor by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title or the interest of Lessor or result in a lien upon any such Unit; provided, however, that Lessee shall be under no obligation to pay any impositions of any kind arising from or related to any sale, lease, use, possession, ownership, payment, shipment, delivery, transfer, return or other disposition of the Units prior to the delivery of such Units to Lessee for Reconstruction; and further provided, however, that Lessee shall have no obligation to pay any impositions of any kind so long as such imposition remains unpaid and Lessee is contesting in its own name and in good faith and by appropriate legal or administrative proceedings such impositions, or Lessor is required to contest such impositions as provided in this Section, and the nonpayment thereof does not, in the reasonable opinion of Lessor, adversely affect the title, property or rights of Lessor hereunder. Lessee agrees to give Lessor notice of such contest brought in Lessee's name within thirty (30) days after institution thereof and Lessor agrees to provide such information as may be reasonably requested by Lessee in furtherance of such contest.

If any impositions shall have been charged or levied against Lessor directly and paid by Lessor, Lessee shall pay Lessor on presentation of an invoice therefor, and Lessor agrees to give Lessee written notice promptly after it first obtains knowledge of the making of such charge or levy, and agrees to take such other action as may reasonably be requested by Lessee for the purpose of contesting payment or obtaining refund of all or a portion of such imposition, as hereinafter provided.

In the event any returns, statements or reports with respect to impositions involving any Unit are required to be made, Lessee will make such returns, statements and reports in such manner as to show the interest of Lessor in such Units as shall be satisfactory to Lessor or, where not so permitted, will notify Lessor of such requirement and will prepare and deliver such reports to Lessor within a reasonable period of time prior to the time such reports are to be filed in such manner as shall be satisfactory to Lessor.

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

If claim is made against Lessor for any impositions indemnified against under this Section, Lessor shall promptly notify Lessee. If reasonably requested by Lessee in writing, Lessor shall, upon receipt of indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and, at the expense of Lessee, contest in good faith the validity, applicability or amount of such impositions by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. Lessee may also contest, or cause to be contested, at its own expense, the validity, applicability or amount of such impositions in the name of Lessor, provided that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of Lessor in any such proceeding or action) without the prior written consent of Lessor, which consent shall not be unreasonably withheld. If Lessor shall obtain a refund of all or any part of such impositions previously reimbursed by Lessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by Lessee and the period of such payment, Lessor shall pay to Lessee the amount of such refund or interest net of expenses, but only if no Event of Default, as hereinafter defined, or event which with notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing.

Lessee shall, whenever reasonably requested by Lessor, submit to Lessor copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to Lessor of Lessee's performance of its duties under this Section. Lessee shall also furnish promptly upon request such data as Lessor reasonably may require to permit Lessor's compliance with the requirements of taxing jurisdictions.

The amount which Lessee shall be required to pay with respect to any imposition which is subject to indemnification under this Section shall be an amount sufficient to restore Lessor to the same net after-tax rate of return after considering the effect of such payment on its United States Federal income taxes and state and city income taxes or franchise taxes based on net income, that Lessor would have been in had such imposition not been imposed.

(c) If Rental or any other payment due Lessor hereunder is not timely paid, on Lessor's demand such arrearage shall be subject to interest at the lesser of the maximum legal rate of interest permitted by applicable law or three percent (3%)

per annum above the then current Prime ("Prime") being the announced base rate of interest charged by Citibank, N.A. on 90-day loans to substantial commercial borrowers. Lessee shall pay all payments due Lessor at Lessor's office at the address set forth below, or as Lessor otherwise directs, without notice, demand, counterclaim, setoff, deduction, recoupment or defense; and Lessee waives all rights with respect thereto it might otherwise have now or hereafter.

3. LESSOR'S TITLE.

(a) Lessor warrants that it owns the Units, free of any liens or encumbrances thereon, has right of possession of the Units free of any adverse claims with respect thereto and has full right and authority without restriction to lease the Units as provided herein.

(b) Pursuant to that certain Lease Modification Agreement dated as of April 18, 1980, between the Rock Island Trustee and Lessor and the Reorganization Court approval thereof dated as of April 25, 1980, Lessor has obtained right of possession of the Units which are to be leased to Lessee hereunder free of all liens, claims, impositions and charges in favor of any third party or entity which could result in the interruption of Lessee's use and possession of the Units. Lessor will obtain an opinion of counsel satisfactory to Lessee that such Lease Modification is valid and enforceable against all such parties or entities and that no further approval of the Reorganization Court is required.

4. DELIVERY OF UNITS.

(a) Lessor at its expense shall cause the Units to be transported to the rails of Lessee; and upon arrival of Units at the rails of Lessee, Lessee at its expense shall transport the Units to Lessee's shops; and at Lessee's shops Lessee shall reconstruct the Units in accordance with the provisions of the Reconstruction Agreement dated as of the date hereof. Lessee may refuse any Unit not transported to its rails for Reconstruction by September 30, 1981.

(b) Lessee shall be entitled to use of Units, Reconstruction of which is completed prior to the commencement of the Term hereof, in accordance with the provisions for such use and payment of interim rental provided in Supplement No. 1 hereto.

(c) A Unit shall not be deemed to be delivered to or accepted by Lessee for leasing hereunder until Lessee completes Reconstruction of the Units, at which time Lessee shall accept them for Lease hereunder and give Lessor written notice of completion of Reconstruction and acceptance satisfactory to Lessor. Lessee shall acknowledge in such notice that (i) each Unit is of a size, design, capacity and manufacture required by Lessee and (ii) it is satisfied that each Unit is suitable for its purposes. Such notice shall be accompanied by a Schedule to this Lease executed by Lessee describing the Units accepted by it for Leasing hereunder and as to such Units the Term hereof shall commence on January 1, 1982.

5. NO WARRANTIES BY LESSOR.

(a) LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LIABILITY, CLAIM, LOSS, DAMAGE (DIRECT OR CONSEQUENTIAL) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY UNIT OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, OR ANY DEFICIENCY OR DEFECT (LATENT OR PATENT) THEREIN, OR THE RECONSTRUCTION THEREOF BY LESSEE, OR THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICE OR ADJUSTMENTS THERETO, OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF, OR ANY LOSS OF BUSINESS, OR ANY DAMAGE WHATSOEVER AND HOWEVER CAUSED. LESSOR SHALL NOT, BY VIRTUE OF HAVING LEASED THE UNITS UNDER THIS LEASE, BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS (FOR USE OR FOR ANY PARTICULAR PURPOSE), DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE UNITS OR THE RECONSTRUCTION THEREOF.

(b) Inability of Lessee to use the Units due to any reason, including, without limitation, any defect in or unfitness of the Units, any action by any governmental authority (including, without limitation, legislative, executive, administrative or judicial bodies) or any action by an independent supervisory agency, except if such event shall constitute a Total Loss, as defined in Section 9 hereof, shall not relieve Lessee of the obligation hereunder to pay Rentals for the full Term or any extension thereof once the Unit has been accepted for lease by Lessee under Section 4(b) herein; provided, however, that if Lessee loses possession of the Units by reason of any claim, lien, charge or encumbrance not related to Lessee's Reconstruction, use or possession or use or possession by any third party with the consent of Lessee, all of Lessee's obligations hereunder shall terminate as of the date of such loss. Lessee will have performed Reconstruction of the Units and therefor assumes liability for any claim based on the quality or condition of the Units, their performance, merchantability or fitness for use and will not assert any such claim, offset or defense against its obligation to pay and Lessor's right to receive Rentals.

6. REPORTS/INSPECTION.

(a) Lessee shall, commencing in 1983, furnish to Lessor on or before April 30 of each year during the Term or any extension thereof (i) an accurate statement setting forth as of the preceding December 31 the amount, description and identifying numbers of all Units then leased hereunder, the amount, description and identifying numbers of all Units that have suffered a casualty occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Lessor may reasonably request, and stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required have been preserved or replaced; and (ii) a certification or verification of insurance coverage from the Lessee's independent broker stating the amounts of insurance in effect with respect to the Units and the amount of deductible.

(b) The Lessor, at its sole cost and expense, shall have the right by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease, but the Lessor shall have no obligation to do so; and provided that Lessee shall have no obligation to move or arrange for the movement of or store the Units to accommodate any such inspection.

7. USE; OPERATION; AND SERVICE.

(a) Lessee will (i) cause the Units to be operated and maintained only in the ordinary course of Lessee's business and by competent and duly qualified, authorized agents or employees, (ii) operate and maintain the Units in accordance with applicable rules and laws, including, without limitation, all laws of the jurisdictions in which Lessee's operations involving the Units may extend, interchange rules of the Association of American Railroads, rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body, and rules of any other association of carriers exercising any power or jurisdiction over Lessee

or over the Units, to the extent that such laws and rules affect the title, operation, storage, maintenance or use of the Units or the other terms and conditions of this Lease, (iii) except as provided in Section 17 herein, not assign or otherwise transfer or sublet any interest in this Lease or the Units without the prior written consent of Lessor in each instance, not permit the Units to be subject to any lien, encumbrance or charge whatsoever except liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's, or other like liens arising in the ordinary course of business and in each case, not delinquent; and Lessee shall have no obligation to discharge any lien, encumbrance or charge so long as it is contesting the same in good faith and by appropriate legal proceedings and the failure to discharge the same does not in the reasonable opinion of Lessor, adversely affect the title, property or rights of Lessor hereunder, (iv) maintain the Units at its sole expense in good operating order, repair, condition, normal wear and tear excepted, and acceptable for use in interchange, and (v) at its sole expense furnish or install all parts, supplies, service and utilities necessary for operation or maintenance of the Units, all of which shall immediately become the property of Lessor without cost or expense to Lessor except that this shall not apply to special equipment or other additions which may be installed on the Units by Lessee without the consent of Lessor, provided that such equipment is removed by Lessee before the Units are returned to Lessor and all damage resulting from such installation and removal is repaired by Lessee; and further provided that removal of such equipment does not affect the Unit's serviceability or use in interchange. Lessee may make other non-removable additions, modifications or improvements, whether or not required by law, which will not diminish the intended operating use of the Units. Notwithstanding the foregoing, except as specified for the Reconstruction, no accessory or device may be installed or affixed to any Unit if it will impair the originally intended function of the Unit. If the laws or rules referred to in Section 7(a)(i) herein require alteration of the Units, Lessee shall conform the Units in accordance therewith at Lessee's expense and shall maintain them in proper condition for operation under such laws and rules; provided, however, that Lessee may in good faith contest the validity and application of any such law or rule in any reasonable manner which does not, in Lessee's opinion, adversely affect the property or rights of Lessor in the Units. Except for alterations or changes required by law or the Reconstruction, Lessee shall not, without the prior written approval of Lessor, effect any change in the design, construction or body of the Units.

(b) Except as otherwise provided herein, Lessee assumes all risk of the Reconstruction, use, operation and storage of each Unit and for injuries and damages incident thereto, whether to agents, employees or property of Lessee, Lessor or of third parties. LESSEE WILL SAVE AND HOLD LESSOR HARMLESS from all losses, damages, claims, penalties, liabilities and expenses, including attorneys' fees, howsoever arising or

incurred because of or incident to (i) any Reconstruction, use, operation or storage of any Unit or (ii) the assertion of any claim or demand based on any infringement or alleged infringement of any patent, trademark or other right by or in respect of the Reconstruction of any Unit and/or on STRICT OR ABSOLUTE LIABILITY IN TORT.

(c) Unless an Event of Default (as defined in Section 12 herein) shall have occurred and be continuing, Lessee shall be entitled to the possession and use of the Units in accordance with this Lease. Except as provided in Section 17, without the prior written consent of Lessor, Lessee shall not part with the possession or control of the Units, or suffer or allow them to pass out of its possession or control except that Lessee may permit the interchange thereof with other railroad companies in the ordinary course of business or in run-through service, but only subject to all the terms and conditions of this Lease; provided however, Lessee shall not use or permit the use of the Units involving the regular operation or maintenance thereof outside the United States.

(d) Lessee grants to Lessor a security interest in any per diem payments, rentals or other charges payable for the use of the Units while being used by others and proceeds payable for loss, destruction or damage of or to the Units under the current Code of Rules Governing the Settlement for Destroyed or Damaged Cars adopted by the Association of American Railroads which are received by Lessee subsequent to an Event of Default.

8. INSURANCE. Lessee will, at all times prior to the return of the Units to Lessor, at its own expense, cause to be carried and maintained property insurance and public liability insurance in respect of the Units at the time subject hereto, in amounts (subject to customary deductibles which is currently \$2.5 million per occurrence) and against risks customarily insured against by responsible Class I railroad companies in respect of similar equipment, and, in any event, at least comparable in amounts and against risks customarily insured against by Lessee in respect of similar equipment owned or leased by it. Any policies of public liability insurance carried in accordance with this paragraph shall name Lessor as an additional insured as its interests may appear. The policy or verification shall provide that the Lessor receive at least thirty (30) days prior written notice of any material changes proposed to be made to any such policies of insurance and of the expiration of any such policies of insurance, and Lessee shall deliver or cause to be delivered to Lessor evidence of such coverage, either by written verification, or certificate from Lessee's insurance broker, in a form satisfactory to Lessor, on the date of execution of this Lease and on each anniversary thereof until expiration of the Lease term. If Lessor shall receive any insurance proceeds or condemnation payments in respect of a Unit

which is a Total Loss, Lessor shall, subject to Lessee's having made payment of the Stipulated Loss Value in respect of such Unit, pay such proceeds or condemnation payments to Lessee up to an amount equal to the Stipulated Loss Value with respect to a Unit paid by Lessee and any balance of such proceeds or condemnation payments shall remain the property of Lessor. All insurance proceeds received by Lessor from Lessee's insurance coverage in respect of any Unit not suffering a Total Loss shall be paid to Lessee upon proof satisfactory to Lessor that any damage to such Unit in respect of which such proceeds were paid has been fully repaired.

9. DAMAGE TO EQUIPMENT.

(a) Lessee assumes all risks of loss, theft or destruction of, and damage to, each Unit and will hold Lessor harmless from any thereof and from all claims and liens for storage, labor and materials incurred other than by Lessor whether or not insured.

(b) A Unit which is lost, stolen, wholly destroyed or damaged beyond repair so as to preclude its use for the purpose intended by reason of any cause, or is appropriated, requisitioned, taken over or nationalized by any governmental authority under the power of eminent domain or otherwise, and all of the obligations of Lessee hereunder are not assumed by such governmental authority within 60 days after such appropriation, requisitioning, taking over or nationalization, shall be deemed a "Total Loss." In the event of Total Loss, this Lease shall terminate as to such Unit. If a Total Loss occurs, Lessee shall pay to Lessor on the next Rental Payment date the Rental Payment that would have been due on that date had it not been for the Total Loss and the Stipulated Loss Value in effect on the date of Total Loss of such Unit. Upon receipt by Lessor of the amounts set forth above, Lessee shall then be entitled to receive, if any, all insurance proceeds as may be payable with respect to such Unit to the extent they do not exceed the Stipulated Loss Value. For the purposes of this Lease, "Stipulated Loss Value" means a sum of money equal to the value of the Units before Reconstruction multiplied by the percentage shown in column no. 1 on Exhibit B to Supplement No. 1 for the Boxcars and Exhibit ~~A~~ to Supplement No. 1 for the Cabooses, plus the Costs of Reconstruction multiplied by the percentage shown in column no. 2 on Exhibit B to Supplement No. 1 for the Boxcars and on Exhibit ~~A~~ to Supplement No. 1 for the Cabooses, for the applicable period of the Term in which the calculation is made. The calculation is made on the premise that all Rentals due have been timely paid. 020  
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(c) If a Unit is damaged but shall be capable of repair, this Lease shall remain in effect as to such Units and Lessee will repair such damage at Lessee's sole cost, but Lessee may apply, if it is not in default under this Lease, any insurance proceeds received in respect of such damage to such repair.

10. RETURN OF EQUIPMENT.

(a) At the expiration or sooner termination of the Term or any extension thereof, Lessee will return each Unit to

Lessor in the same operating order, repair, condition and appearance as when accepted, reasonable wear and tear excepted, and in a manner consistent with Section 7 hereof, and in all events in such condition as to permit use in interchange and shall meet all interchange requirements of the Association of American Railroads; provided, however, that Lessee shall have no obligation to make any repair or addition to the Units which is required by law subsequent to the end of the Term. For such purpose Lessee, at its own cost and expense, forthwith shall (i) restencil the Units as directed by Lessor; (ii) transport or cause to be transported the Units on written direction of Lessor to do so to any point on Lessee's rails east of the Missouri River as agreed to by Lessor and Lessee; (iii) store the Units on such tracks for a period not exceeding 60 days from the expiration or termination of the Term or any extension thereof; and (iv) cooperate in a joint inspection of each Unit for the purpose of determining Lessee's compliance with Section 10(a) hereof. Units remaining on the rails of Lessee at the end of the Term or any extension or renewal thereof for a period in excess of 60 days will be held at Lessor's expense and risk, and for any such Unit Lessor will pay Lessee a storage fee of \$15.00 per day per Unit or a lesser amount if mutually agreed upon. The foregoing as above provided are of the essence of this Lease and, upon application to any court of equity having a jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee so as to require Lessee to restencil, assemble, deliver, store and transport the Units.

(b) Without in any way limiting the obligation of Lessee under the foregoing Section, Lessee hereby irrevocably appoints Lessor as its agent and attorney, with full power and authority, at any time while Lessee is obligated to deliver possession of the Units to Lessor, to demand and take possession of the Units in the name and on behalf of Lessee from whomsoever shall be at the time in possession of the Units.

11. REPRESENTATIONS AND WARRANTIES. Lessee hereby covenants, represents and warrants to Lessor that (i) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and in every jurisdiction in which the nature of its business requires qualifications as a foreign corporation; (ii) it has taken all action which may be required to authorize the execution, delivery and performance of this Lease, and such execution, delivery and performance will not conflict with or violate any provisions of its Charter or Articles or Certificate of Incorporation, By-laws or any provisions of, or result in a default or acceleration of any obligation under, any agreement, order, decree or judgment to which it is a party or by which it is bound, nor is it now in default under any of the same; (iii) except as set forth in the Lessee's Annual Report on Form 10-K for the fiscal year ended December 31, 1980 (the "1980 10-K"), there is no litigation or

proceeding pending or threatened against it which may have a materially adverse affect on Lessee or which would prevent or hinder the performance by it of its obligation hereunder; (iv) this Lease and attendant documents constitute valid obligations of Lessee, binding and enforceable against it in accordance with their respective terms; (v) no action by or with any commission or administrative agency is required in connection herewith; (vi) all financial statements that have heretofore been presented by or on behalf of it to Lessor in conjunction with this transaction, are true and correct and present fairly the financial condition and results of operations of the subject of such statements as of the date thereof or for the period reflected therein, do not contain any untrue statement or omission of a material fact, and there is no fact, situation or event which materially adversely affects or will materially adversely affect the properties, business, assets, income, prospects or condition (financial or otherwise) which have not been disclosed; (vii) it has the power to own its assets and to transact the business in which it is engaged; (viii) it is not currently in default of any material obligation under any agreement, instrument or undertaking, or decree or judgment to which it is a party or by which it is bound; and (ix) it will give to Lessor prompt notice of any change in its name, identity and structure.

12. DEFAULT. The following are events of default hereunder ("Events of Default"): If Lessee (i) fails to pay any sum to be paid hereunder when due and such failure continues for 5 days after receipt by Lessee of written, telegraphic or telephonic notice thereof, or (ii) fails at any time to maintain any insurance coverage prescribed herein, or (iii) fails to perform or observe any other duty, obligation or covenant contained herein or in any other document furnished in connection herewith and such failure shall continue for 20 days after receipt by Lessee of written, telegraphic or telephonic notice thereof, or (iv) shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof, and the Lessee fails to secure a reassignment or retransfer to the Lessee of such Lease, interest or right for more than 30 days after receipt of demand in writing from the Lessor, or (v) shall have a final judgment aggregating in excess of \$1,000,000 rendered against it which shall by its terms and under applicable law remain unstayed, outstanding, undischarged, and enforceable for 30 days, or (vi) defaults with respect to any payment obligations under and pursuant to the terms of any existing agreement with Lessor, or its affiliates, or (vii) a petition for reorganization under Title 11 of the United States Code, as now constituted or as may hereafter be amended, shall be filed by or against Lessee, 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 Lessee under this Lease shall not have been and shall not continue to have been duly

assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed, or (viii) any other proceedings shall be commenced by or against Lessee for any against Lessee relief which includes, or might result in, any modification of the obligations of Lessee hereunder, 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 readjustments of the obligations of Lessee hereunder), 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 Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for Lessee or for the property of Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, or within 60 days after such proceedings shall have been commenced), or (ix) shall have made a materially untrue or incorrect representation of warranty herein or in any document delivered in connection herewith.

### 13. REMEDIES.

(a) Upon the occurrence of an Event of Default, Lessor, at its option may, (i) proceed by appropriate court action to enforce performance by Lessee or to recover from Lessee any and all damages and expenses which Lessor shall have sustained by reason of Lessee's default or on account of Lessor's enforcement of its remedies hereunder, (ii) terminate Lessee's rights hereunder, or (iii) take possession of all Units (damages occasioned by such taking of possession are hereby expressly waived by Lessee), and thereupon Lessee's right to the possession thereof shall terminate; provided, however, it is understood and agreed that Lessor's taking possession of the Units shall neither terminate this Lease nor discharge Lessee's obligations and duties hereunder and Lessee's obligation to pay Lessor its damages as hereinafter defined. In the event of any repossession, Lessor either shall lease the Units or any portion thereof for such period, for such rental and to such person as Lessor shall elect, or sell the Units or any portion thereof at public or private sale without demand or notice of intention to sell or of sale to Lessee and with or without having the Units at the place of sale or retain the Units or any part thereof without leasing or otherwise disposing of the Units. If any Unit is leased, sold or otherwise disposed of pursuant hereto, Lessee shall be liable to Lessor, as liquidated damages for the breach of this Lease (but not as penalty), for the amount by which proceeds of such lease (all future rental payments thereof discounted to the specified payment date to their present value at the rate of 5% per annum), sale or other disposition is less than the sum of

(i) all due, unpaid and accrued Rentals for such Unit as of the date of the Event of Default, (ii) the Stipulated Loss Value thereof as of the date of the Event of Default, (iii) an amount equal to accrued Impositions and other amounts payable hereunder by Lessee with respect to such Unit, (iv) all costs, expenses, losses and damages incurred or sustained by Lessor by reason of such default and (v) interest at the rate specified in Section 2 herein on all sums not paid when due under any provision of this Lease. If on the date of such termination or repossession, any Unit be a Total Loss or be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee also shall remain liable for the Stipulated Loss Value of such Unit, less the amount of any insurance recovery received by Lessor in connection therewith. All rights and remedies of Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor. No failure on the part of Lessor to exercise and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof unless specifically waived by Lessor in writing, nor shall any single or partial exercise by Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

(b) Lessee hereby voluntarily and knowingly waives, to the extent permitted by law, any and all rights to notice or hearing prior to any retaking of possession or replevy of the Units by Lessor, its agents or assigns on default of Lessee, and for this purpose Lessor may enter upon any premises on which the Units may then be situated and remove the Units. Lessor may require Lessee to deliver the Units to Lessor at a place to be designated by Lessor in accordance with the provisions of Section 10 herein.

(c) If Lessor incurs any expenses including attorneys' fees, in the enforcement of any of its rights hereunder without having brought any action, proceeding or suit to enforce any such right, or if Lessor shall bring any action, proceeding or suit and shall be entitled to judgment, then Lessor may recover from Lessee such reasonable expenses and attorneys' fees so incurred. Should Lessor be in default hereunder as to any one Unit, Lessee may not because of such default terminate this Lease as to any other Unit. Promptly after Lessee has notice thereof, Lessee shall give notice to Lessor of any Event of Default and any event that has occurred and is continuing which constitutes an Event of Default but for the requirement that notice be given or time elapse or both.

14. PURCHASE OPTION. At the expiration of the Term or any extension thereof of each respective Schedule, Lessee shall be entitled to purchase all the Units for a price equal to

the then fair market value thereof, provided, however, (i) Lessee must not be in default under this Lease on the date it exercises this option or between the date of exercise and the date ("Expiration Date") of expiration of the last day of the Term or any extension thereof, as the case may be, of the first Schedule to expire, (ii) Lessee must give Lessor written notice of its exercise of this purchase option at least 6 months, but not more than 12 months prior to the Expiration Date, (iii) Lessee must exercise this purchase option as to all, and not less than all, the Boxcars and Caboosees respectively subject to this Lease on the Expiration Date. For purposes of determining fair market value of the Units it shall be assumed that the Units will be used for their best intended purposes, are fully assembled, in good operating condition, fully operational and have been maintained in accordance with the requirements of the Lease. Fair market value shall be determined on the basis of, and shall be equal in amount to, the sales value which would be obtained in an arm's-length transaction between an informed and willing purchaser (other than a purchaser currently in possession), and an informed and willing seller under no compulsion to sell, and, in such determination, costs of removal from the location of current use shall not be a deduction from such fair market value but there shall be excluded any value attributable to additions, modifications and improvements which Lessee is entitled to remove pursuant to Section 7 hereof.

If after forty-five (45) days from the giving of notice by Lessee of Lessee's election to purchase the Units as provided herein, Lessor and Lessee are unable to agree upon a determination of fair market value, Lessee may revoke the exercise of its option or elect to have the fair market value determined by appraisal. For such appraisal the fair market value shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of fair market value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within twenty (20) business days after such notice is given, each party shall appoint an independent appraiser within twenty-five (25) business days after such notice is given, and the two appraisers so appointed shall within thirty-five (35) business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within thirty-five (35) business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by an appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the fair market value, within ninety (90) days after his/her or

their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall be final and binding upon the parties hereto. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining fair market value and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by Lessee.

15. TAX BENEFITS.

(a) For the purposes of this Agreement "IRC" shall mean the Internal Revenue Code of 1954, as amended; "ITC" shall mean the credit allowed for "new Section 38 property" by Sections 38 and 46 et. seq. of the IRC at the rate provided in the applicable Supplement; "Depreciation" shall mean depreciation deductions for Federal income tax purposes on the Cost of the Units using a method of depreciation provided by IRC Section 167(a)-(1), (2) or (3), a reasonable salvage value and an asset depreciation range set forth in the applicable Supplement; and "Tax Benefits" shall mean both ITC and Depreciation.

(b) The parties acknowledge that only Lessor shall be entitled to claim the Tax Benefits presently available with respect to the Units and Lessee will not claim them nor shall Lessee take any action to cause Lessor to lose its tax benefits provided, however, that the foregoing shall not obligate Lessee to indemnify Lessor for Lessor's inability to claim or realize the economic benefit of the Tax Benefits.

16. CONDITIONS PRECEDENT. The obligations of Lessor hereunder to lease any Unit to Lessee are expressly contingent on satisfaction and fulfillment of the following, such obligations to expire on the date set forth in the applicable Supplement: (i) Lessee shall have executed and delivered, or caused to be executed and delivered at its sole cost and expense, on or prior to the date the first Unit is delivered for Reconstruction, such documents as Lessor may deem necessary and desirable (and as shall be satisfactory to Lessor in form and content) in connection with this transaction, including without limitation, the Reconstruction Agreement, opinions of legal counsel,

officers' certificate, UCC financing statements and the filing and recording of this Lease with the ICC in accordance with Section 11303 of the Interstate Commerce Act; (ii) on or prior to the date the first Unit is delivered for Reconstruction there shall be no materially adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder from December 31, 1980; (iii) Lessee shall have kept and performed Lessee's obligations hereunder; and (iv) Lessee performs the Reconstruction as required in the Reconstruction Agreement.

17. ASSIGNMENT/SUBLEASE BY LESSEE. Lessee shall have the right without the consent of the Lessor or any other party (i) to sublease the equipment to other responsible sublessees for periods up to six months and (ii) to assign this Lease to any company acquiring or leasing substantially all of Lessee's lines of railroad, in each case without diminution of Lessee's obligations under this Lease. Lessee will permit nothing in any sublease or assignment arrangement to cause Lessor to lose ITC benefits to the extent they are available to Lessor; provided, however, that the foregoing shall not obligate Lessee to indemnify Lessor for Lessor's inability to claim or realize the economic benefit of the Tax Benefits.

18. ASSIGNMENT BY LESSOR. Lessee acknowledges and understands that the terms and conditions of this Lease have been fixed by Lessor in anticipation of its being able to assign its interest under this Lease and in and to the Units to a bank or other lending institution or to others having an interest in the Units or this transaction, all or some of which will rely on and be entitled to the benefit of the provisions of this paragraph, and upon any such assignment, to accept the directions or demands of such assignee in place of those of Lessor, but only in accordance with the terms of the Lease; to surrender Units only to such assignee, to pay all Rentals and sums payable hereunder and to do any and all things required of Lessee hereunder and not to terminate this Lease, except as provided in Section 5(b), notwithstanding any default by Lessor or existence of any offset as between Lessor and Lessee or the existence of any other liability or obligation of any kind of character on the part of Lessor to Lessee whether or not arising hereunder, and not to require any such assignee of this Lease to perform any duty, covenant or condition required to be performed by Lessor hereunder, all rights of Lessee, except as otherwise provided herein, in any such instance being hereby waived as to any and all such assignees. However, upon any such assignment, Lessor shall not be relieved of its obligations to Lessee hereunder.

19. IDENTIFICATION OF UNITS.

(a) On or before the delivery of the Units to Lessee, pursuant to Section 4(b) herein, Lessee, at its sole cost and

expense, shall cause to be plainly, distinctly, permanently and conspicuously placed, fastened or painted upon each side of each of the Units a legend in letters not less than one inch in height bearing the following words:

"GREYHOUND LEASING & FINANCIAL CORPORATION,  
OWNER AND LESSOR"

At the request and expense of Lessor or any chattel mortgagee, assignee, trustee or other holder of the legal title to the Units, the Units may be lettered or marked to identify the legal owner of the Units, if other than Lessor.

(b) In case any such legend at any time shall be painted over or otherwise made inconspicuous, removed, defaced or destroyed during the term or any extension thereof, Lessee immediately shall cause such legend to be restored or replaced. Lessee will not allow the name of any person, association or corporation to be placed on the Units as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than Lessor or its assignees; but the Units may be lettered with the names or initials or other insignia customarily used by Lessee on equipment of the same or similar type for convenience of identification of the rights to use and operate the Units.

(c) On or prior to the respective date of acceptance of the Units for leasing hereunder, Lessee agrees to cause to be placed on each side thereof Lessee's assigned number. At all times thereafter, during the Term, Lessee will cause the Units to bear the number so assigned to it, and Lessee will not change or permit to be changed the number except in accordance with a statement of new number to be substituted therefor which previously shall have been filed with Lessor by Lessee and filed, recorded or deposited in all public offices where this Lease will have been filed, recorded or deposited.

20. MISCELLANEOUS. Nothing herein contained shall give or convey to Lessee any right, title or interest in and to any Unit except as a lessee thereof. Lessor covenants that it will be the owner of the Units upon their transportation to the rails of Lessee for Reconstruction and that conditional upon Lessee's performance hereunder, Lessee shall peaceably and quietly hold, possess and use the Units during the Term or any extension thereof. This Lease shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns, subject to Section 7 herein. Time is of the essence. This Lease shall be governed by and construed in accordance with the laws of the State of Illinois. The invalidity of any portion

of this Lease shall not offset the force and effect of any other portion hereof. Interest computations shall be made on the basis of a 360-day year of twelve 30-day months. Lessee agrees throughout the Term or any extension thereof to execute and deliver such additional documents and to perform such further acts as may be reasonably requested by Lessor in order to carry out and effectuate the purposes hereof. This Lease contains the entire agreement between the parties and may not be modified, terminated or discharged except in writing, and this Lease supersedes any and all prior representations, warranties or inducements, written or oral, heretofore made by Lessor concerning this transaction, which prior representations, warranties or inducements, if any, are null and void and of no force or effect whatsoever.

21. SURVIVAL. Any other provisions contained in this Lease to the contrary notwithstanding, it is hereby agreed that provisions of paragraphs 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 shall survive expiration or termination hereof to the extent required thereby for their full observation and performance. Should Lessor permit the use of any Unit beyond the Term specified therefor or any extension thereof, the obligations of Lessee hereunder shall continue. Any such permissive use shall not be construed as an extension of the Term or as a waiver of any right or continuation of any obligation of Lessor hereunder and Lessor may take possession of any such Unit at any time on demand after 30 days notice. Neither cancellation nor termination by Lessor of this Lease pursuant to the provisions hereof nor any termination of the Term or any extension thereof by lapse of time shall release Lessee from any then outstanding obligations and/or duties to Lessor hereunder.

22. EQUAL OPPORTUNITY. Lessee and Lessor agree that this agreement is subject to and that to the extent applicable they will comply with, all federal laws and regulations relating to equal employment opportunity for all persons without regard to race, creed, color, sex or national origin and to those federal laws and regulations relating to nonsegregated facilities, minority business enterprises, the employment of handicapped persons and veterans.

23. COUNTERPARTS. This Lease may be executed in any number of counterparts all of which shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Lease by signing any such counterpart.

*Handwritten initials and date: "M 7/26"*

IN WITNESS WHEREOF, the parties hereto have executed this Lease and Supplement No. 1 hereto as of July ~~7~~, 1981.

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY, LESSEE

GREYHOUND LEASING & FINANCIAL  
CORPORATION, LESSOR

By: *[Signature]*  
Title: VICE PRESIDENT - FINANCE

By: *[Signature]*  
Senior Vice President

By: *[Signature]*  
Title: ASSISTANT SECRETARY

Attest:  
By: *[Signature]*  
Assistant Secretary/Attorney



STATE OF ARIZONA            )  
                                  )  
COUNTY OF MARICOPA        )    SS

On this 13 day of July, 1981, before me personally appeared MARTIN G. ROTH, to me personally known, who, by me duly sworn, says that he is an authorized officer of GREYHOUND LEASING & FINANCIAL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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.

Margaret L. Hull  
Notary Public

(Notarial Seal)

My Commission Expires Feb. 7, 1984

My Commission Expires \_\_\_\_\_

STATE OF ILLINOIS         )  
                                  )  
COUNTY OF COOK            )

On this 8th day of July, 1981, before me personally appeared J. A. Tingleff, to me personally known, who, being by me duly sworn, says that he is a Vice President of CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, that one of the seals affixed to the foregoing is the corporate seal of said corporation and 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.

Margaret Hailon  
Notary Public

(Notarial Seal)

My Commission Expires 2-25-82

SCHEDULE 1

100-TON 60'9" and 60'10-1/2"  
RAILROAD BOXCARS  
TO BEAR: CNW NOS. 91650-91766

*Handwritten initials/signature*

SCHEDULE 2

30' BAY-WINDOW RAILROAD  
CABOOSES  
TO BEAR: CNW NOS. 11221-11229

*Handwritten initials and signature*

SUPPLEMENT NO. 1

To Equipment Lease Agreement (Lease) dated, as of July 7, 1981, Between undersigned Lessor and Lessee

A. Units to be subject to Lease by this supplement:

A-1 Up to 120 reconstructed 100-ton, 60'9" or 60'10-1/2" railroad boxcars ("Boxcars"), to be more fully described in the applicable Schedule (Lease Sec. 1); and

A-2 9 reconstructed 30' bay-window railroad cabooses ("Cabooses"), to be more fully described in the applicable Schedule (Lease Sec. 1).

B. The Units are owned by Lessor and are to be reconstructed for this Lease by Lessee in accordance with the provisions of the Reconstruction Agreement (Lease Sec. 4(a)). For purposes of computing the Stipulated Loss Value of the Units (Lease Sec. 8(b) and 9(b)), the fair market value of the Units before Reconstruction is hereby agreed to be \$12,000 per Boxcar and \$19,000 per Caboose and the cost of Reconstruction shall be stated in the applicable Schedule, once that cost is finally determined in accordance with Section 3 of the Reconstruction Agreement.

C. Term (Lease Sec. 2) for the Units covered by Supplement No. 1 shall commence January 1, 1982 and

C-1 with respect to the Boxcars shall be 15 years; and

C-2 with respect to the Cabooses shall be 20 years.

D. Rental (Lease Sec. 2) for the Units under Lease shall be:

D-1 For the Boxcars payable in 30 semi-annual installments and for the Cabooses payable in 40 semi-annual installments, in arrears;

D-2 Each Rental Payment shall consist of \$1,025 per Boxcar and \$1,710 per Caboose plus 7.5141% (Rental Factor) of the average per Unit Costs of Reconstruction (as defined in the Reconstruction Agreement) paid by Lessor to Lessee pursuant to the Reconstruction Agreement;

D-3 The Rental Payment will be adjusted on the tenth anniversary of the Term commencement date as follows: On the tenth anniversary of the Term commencement date the Citibank Prime Rate will be compared to the Base Prime Rate of 15% and if a difference between the Citibank Prime Rate and the

Base Prime Rate then exists, the difference will then be recognized and the Rental Payment shall be adjusted as follows: The Rental Payment shall be increased (decreased) by adding to (subtracting from) the Rental Payment an amount equal to 70% of the Stipulated Loss Value of the Costs of Reconstruction on the tenth anniversary of the Term commencement date multiplied by a fraction, the numerator of which is the percentage point difference between the Citibank Prime Rate and the Base Prime Rate expressed as a decimal, and the denominator of which is 2.

D-4 The first payment of Lease Rental shall be due and payable on July 1, 1982 and succeeding payments thereof shall be due and payable each January 1 and July 1 thereafter during the Term or any extensions or renewals thereof; and

D-5 To the extent Reconstruction of the Units is completed and delivery thereof accepted by Lessee (Lease Sec. 4(C)) prior to January 1, 1982, Lessee shall be entitled to use such Units as provided in the Lease until January 1, 1982 and in consideration of such use Lessee shall pay Lessor an interim rental (also included in the term "Rentals" for all purposes of this Lease) equal to the daily proportion of the semi-annual rate of Rental calculated from date of completion of Reconstruction and acceptance by Lessee through December 31, 1981. Such interim rental for all such Units shall be due and payable on January 1, 1982.

E. All demands, notices, consents, requests and other communications hereunder shall be, unless specifically provided otherwise in the Lease, in writing and shall be deemed to have been duly given when deposited in the mail, registered or certified, postage prepaid, addressed to the parties at their addresses shown below.

F. The terms used in this Supplement No. 1 shall have the same meanings accorded to such terms in the foregoing Lease, unless the context otherwise requires.

G. Lessee's State of Incorporation: Delaware.

H. Lessee's Address: 165 North Canal St., Chicago, Illinois 60606. Attention: Assistant Vice President-Finance

Lessor's Address: Greyhound Tower, Phoenix, Arizona 85077

Attention: Senior Vice President-Operations

IN WITNESS WHEREOF, the parties hereto <sup>at 6:05</sup> have executed this Lease and Supplement No. 1 hereto as of July 7<sup>th</sup>, 1981.

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY, LESSEE

GREYHOUND LEASING & FINANCIAL  
CORPORATION, LESSOR

By: *JRO*  
Title: *VICE PRESIDENT - FINANCE*

By: *[Signature]*  
Vice President

By: *[Signature]*  
Title: ASSISTANT SECRETARY

Attest: *[Signature]*  
Assistant Secretary/Attorney

EXHIBIT A

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

Stipulated Loss Value

Cabooses

| <u>Semiannual<br/>Period</u> | <u>Column 1<br/>Cabooses before<br/>Reconstruction<br/>(Percentage of Cost)</u> | <u>Column 2<br/>Cost of Reconstruction<br/>(Percentage of Cost)</u> |
|------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------|
| 0 (prior to 1/1/81)          | 100.00                                                                          | 100.95                                                              |
| 1                            | 99.73                                                                           | 100.54                                                              |
| 2                            | 99.44                                                                           | 101.03                                                              |
| 3                            | 99.12                                                                           | 101.45                                                              |
| 4                            | 98.77                                                                           | 101.81                                                              |
| 5                            | 98.40                                                                           | 102.11                                                              |
| 6                            | 97.98                                                                           | 102.36                                                              |
| 7                            | 97.54                                                                           | 96.40                                                               |
| 8                            | 97.05                                                                           | 96.24                                                               |
| 9                            | 96.52                                                                           | 96.27                                                               |
| 10                           | 95.95                                                                           | 96.23                                                               |
| 11                           | 95.32                                                                           | 93.42                                                               |
| 12                           | 94.65                                                                           | 92.54                                                               |
| 13                           | 93.91                                                                           | 91.59                                                               |
| 14                           | 93.10                                                                           | 90.58                                                               |
| 15                           | 92.23                                                                           | 89.50                                                               |
| 16                           | 91.28                                                                           | 88.33                                                               |
| 17                           | 90.25                                                                           | 87.09                                                               |
| 18                           | 89.13                                                                           | 85.76                                                               |
| 19                           | 87.91                                                                           | 84.33                                                               |
| 20                           | 86.58                                                                           | 82.81                                                               |
| 21                           | 85.14                                                                           | 81.17                                                               |
| 22                           | 83.57                                                                           | 79.42                                                               |
| 23                           | 81.87                                                                           | 77.54                                                               |
| 24                           | 80.01                                                                           | 75.53                                                               |
| 25                           | 78.00                                                                           | 73.38                                                               |

*[Handwritten signature]*

EXHIBIT A

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

Stipulated Loss Value

Cabooses

| <u>Semiannual Period</u> | <u>Column 1<br/>Cabooses before<br/>Reconstruction<br/>(Percentage of Cost)</u> | <u>Column 2<br/>Cost of Reconstruction<br/>(Percentage of Cost)</u> |
|--------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------|
| 26                       | 75.81                                                                           | 71.07                                                               |
| 27                       | 73.42                                                                           | 68.60                                                               |
| 28                       | 70.83                                                                           | 65.96                                                               |
| 29                       | 68.02                                                                           | 63.13                                                               |
| 30                       | 64.95                                                                           | 60.10                                                               |
| 31                       | 61.62                                                                           | 56.85                                                               |
| 32                       | 58.00                                                                           | 53.37                                                               |
| 33                       | 54.06                                                                           | 49.64                                                               |
| 34                       | 49.78                                                                           | 45.65                                                               |
| 35                       | 45.13                                                                           | 41.38                                                               |
| 36                       | 40.07                                                                           | 36.80                                                               |
| 37                       | 34.57                                                                           | 31.90                                                               |
| 38                       | 28.58                                                                           | 26.65                                                               |
| 39                       | 22.08                                                                           | 21.03                                                               |
| 40 and<br>Thereafter     | 15.00 <i>W.H. JWB</i>                                                           | 15.00 <i>W.H. JWB</i>                                               |

EXHIBIT B

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

Stipulated Loss Value

Box Cars

*Box Cars* } *0/16*

| <u>Semiannual Period</u> | <u>Column 1<br/><del>Carroces</del> before<br/>Reconstruction<br/>(Percentage of Cost)</u> | <u>Column 2<br/>Cost of Reconstruction<br/>(Percentage of Cost)</u> |
|--------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| 0 (prior to 1/1/81)      | 100.00                                                                                     | 101.26                                                              |
| 1                        | 99.22                                                                                      | 100.29                                                              |
| 2                        | 98.38                                                                                      | 100.47                                                              |
| 3                        | 97.46                                                                                      | 100.53                                                              |
| 4                        | 96.48                                                                                      | 100.47                                                              |
| 5                        | 95.43                                                                                      | 100.30                                                              |
| 6                        | 94.29                                                                                      | 100.00                                                              |
| 7                        | 93.06                                                                                      | 93.16                                                               |
| 8                        | 91.73                                                                                      | 92.60                                                               |
| 9                        | 90.31                                                                                      | 91.90                                                               |
| 10                       | 88.77                                                                                      | 91.04                                                               |
| 11                       | 87.12                                                                                      | 84.95                                                               |
| 12                       | 85.33                                                                                      | 82.98                                                               |
| 13                       | 83.41                                                                                      | 81.10                                                               |
| 14                       | 81.34                                                                                      | 79.59                                                               |
| 15                       | 79.10                                                                                      | 76.30                                                               |
| 16                       | 76.70                                                                                      | 73.77                                                               |
| 17                       | 74.11                                                                                      | 71.08                                                               |
| 18                       | 71.31                                                                                      | 68.21                                                               |
| 19                       | 68.30                                                                                      | 65.15                                                               |
| 20                       | 65.06                                                                                      | 61.89                                                               |
| 21                       | 61.56                                                                                      | 58.43                                                               |
| 22                       | 57.80                                                                                      | 54.73                                                               |
| 23                       | 53.74                                                                                      | 50.79                                                               |
| 24                       | 49.37                                                                                      | 46.60                                                               |
| 25                       | 44.65                                                                                      | 42.13                                                               |

*0/16*

EXHIBIT B

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

Stipulated Loss Value

*Box Cars*

Box Cars

| <u>Semiannual Period</u> | <u>Column 1<br/><del>Caboose</del> before<br/>Reconstruction<br/>(Percentage of Cost)</u> | <u>Column 2<br/>Cost of Reconstruction<br/>(Percentage of Cost)</u> |
|--------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| 26                       | 39.58                                                                                     | 37.37                                                               |
| 27                       | 34.10                                                                                     | 32.30                                                               |
| 28                       | 28.21                                                                                     | 26.89                                                               |
| 29                       | 21.85                                                                                     | 21.14                                                               |
| 30 and<br>Thereafter     | 15.00                                                                                     | 15.00                                                               |

*Box Cars*