

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT
701 COMMERCE STREET
DALLAS, TEXAS 75202

MICHAEL E. ROPER
Commerce Counsel

214-651-6741

RECORDATION NO. 14011-B Filed 1425

FEB 15 1984 12 40 PM

INTERSTATE COMMERCE COMMISSION

Mr. James Bayne
Acting Secretary
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Washington, DC 20423

In reply refer to: 410.043-78

February 1, 1984

No. ~~14011-B~~
Date FEB 15 1984

Fee \$ 10.00

ICC Washington, D.C.

4-046A039

Re: Equipment Lease Schedule No. 2 to Equipment Lease Agreement No. 01-002-00130-01-00101 between First City Leasing Corporation and Missouri-Kansas-Texas Railroad Company covering Lease of Various Items of Rolling Stock and Equipment

Dear Mr. Bayne:

I have enclosed four (4) counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

This document is an Equipment Lease Schedule No. 2, a secondary document.

The primary document to which this is connected is an Equipment Lease Agreement recorded under Recordation No. 14011.

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

Lessor: First City Leasing Corporation
1111 Fannin Street
P. O. Box 4517
Houston, TX 77210

Lessee: Missouri-Kansas-Texas Railroad Company
701 Commerce Street
Dallas, TX 75202

RECORDED
FEB 15 12 27 PM '84
FILE OPERATION 337

A description of the equipment covered by the document follows:

- 2 New Ottawa YF-50 Yard Tractors
- 1 Ballast Regulator, #46-1

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned, or the bearer of this letter if hand delivered, for distribution to the parties.

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT

Mr. James Bayne

- 2 -

February 1, 1984

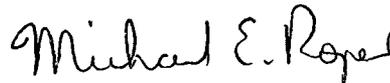
A short summary of the document to appear in the Index follows:

Equipment Lease Schedule No. 2 to Equipment Lease Agreement dated May 3, 1983, between First City Leasing Corporation, Lessor, and Missouri-Kansas-Texas Railroad Company, Lessee, covering equipment described as follows:

- 2 New Ottawa YT-50 Yard Tractors
- 1 Ballast Regulator, #46-1

I certify that I have knowledge of the foregoing.

Yours very truly,



Michael E. Roper
Commerce Counsel

MER:vas
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

2/15/84

OFFICE OF THE SECRETARY

Michael E. Roper
Commerce Counsel
Missouri-Kansas-Texas RR Co.
701 Commerce Street
Dallas, Texas 75202

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **2/15/84** at **12:40pm** and assigned re-
recording number(s). **14011-B**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30
(7/79)

FEB 15 1984 12 20 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE SCHEDULE NO. 2

This Equipment Lease Schedule is hereby incorporated in and made a part of that certain Equipment Lease Agreement (the "Agreement") dated May 3, 1983, Number 01-002-00130-01-00101, between

FIRST CITY LEASING CORPORATION ("Lessor")

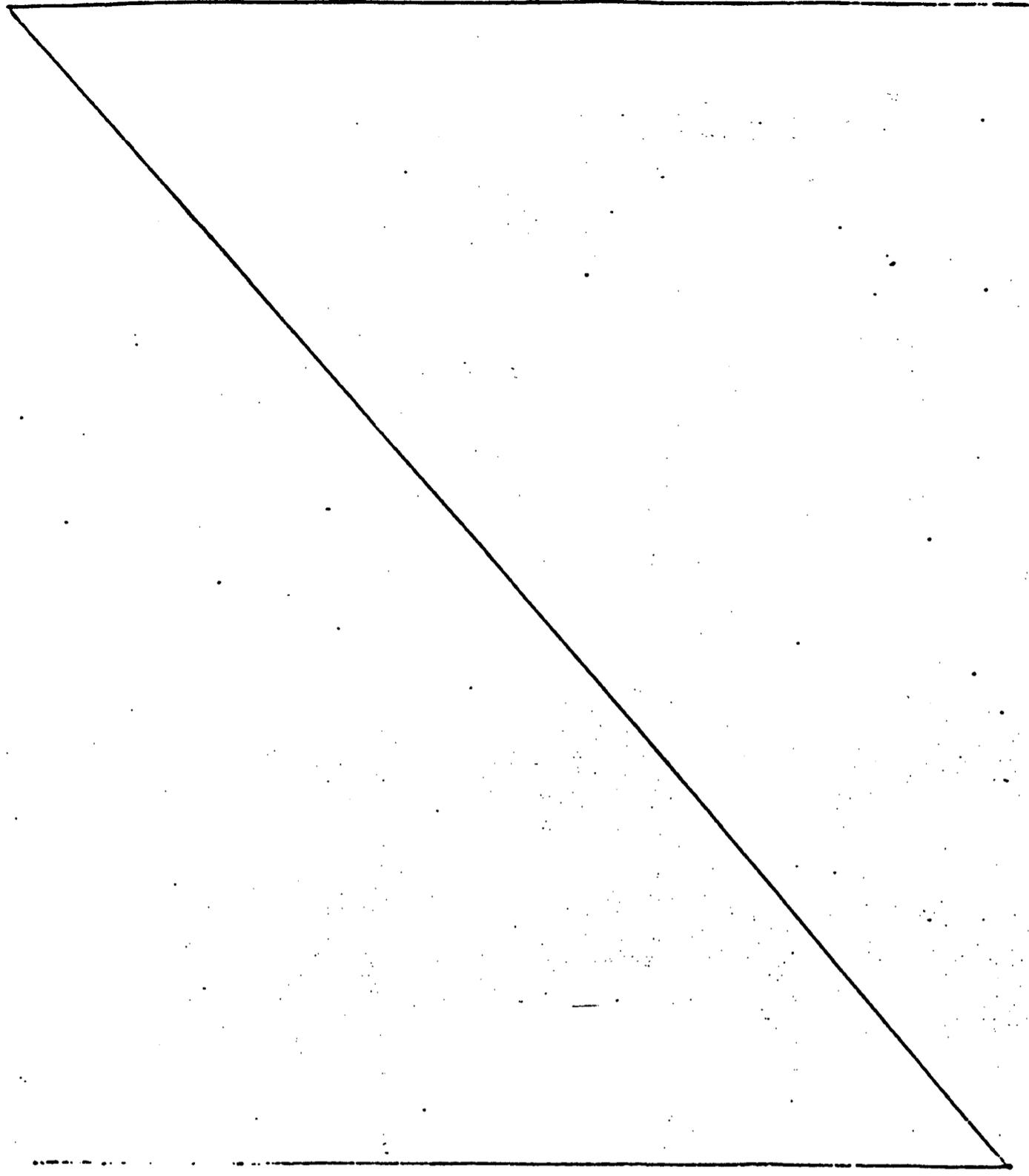
and

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY ("Lessee")

1. Equipment: General railroad equipment as described in Attachment 1. Prior to the Commencement Date for any item of Equipment, Lessee may substitute therefor other general railroad equipment if (but only if) Lessor shall approve such substitution in writing.
2. Location: Missouri, Kansas, Texas and Oklahoma. At any time upon written request from Lessor, Lessee will furnish to Lessor a statement setting forth the then current location of each item of Equipment, including all relevant details.
3. Equipment Cost: Not to exceed \$375,000 including applicable sales, use or similar taxes, and any freight and handling charges.
4. Outside Delivery Date: If any item of Equipment is not delivered to and accepted by Lessee on or before December 31, 1983, then Lessor shall have no obligation whatsoever to lease such items to Lessee. B
5. Lease Term: The lease term for the Equipment described herein expires 60 months after the later ("Later Date") of (a) the Outside Delivery Date or (b) the date the Certificate of Acceptance is executed with respect to the last item of Equipment subject to the Agreement. The Equipment subject to the Agreement for which the Certificate of Acceptance is executed on December 1, 1983 or later shall be herein called the "Late Equipment".

6. Rent:

On the Later Date, Lessee shall make a rental payment equal to the interest cost incurred by Lessor (with Lessor to notify Lessee of such interest cost) with respect to financing the Equipment from the date the Certificate of Acceptance is executed with respect to the first item of Equipment subject to the Agreement through the Later Date. Thereafter, Lessee shall make 60 consecutive monthly payments, commencing one month after the Later Date. Each of such 60 payments shall be the total of three amounts: 2.157% of the Equipment Cost of the Late Equipment.



7. Lessee's Options Upon Expiration of the Lease Term:

In lieu of surrendering the Equipment described above on this Schedule pursuant to Paragraph 15 of the Agreement, or in lieu of a month-to-month hold over pursuant to paragraph 22 of the Agreement, provided the lease of such Equipment has not been earlier terminated pursuant to the Agreement and Lessee is not in default thereunder, Lessee may elect, by written notice delivered to Lessor not less than one hundred twenty (120) days or more than one hundred eighty (180) days prior to expiration of the lease term for such Equipment:

(a) to purchase all, but not less than all, of the Equipment then subject to lease under the Agreement and for which the lease term is expiring at a purchase price equal to the Fair Market Value (as defined herein) of said Equipment upon expiration of the lease term, or

(b) renew the lease for all, but no less than all, of the Equipment then subject to lease under the Agreement and for which the lease term is expiring at its Fair Rental Value (as defined herein) for such period of time and upon terms and conditions mutually acceptable to Lessor and Lessee.

(c) In the event Lessee elects to exercise one of the foregoing options, the Fair Market Value or Fair Rental Value, respectively, of the Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would be obtained, assuming the Equipment had not been installed, in an arm's-length transaction between an informed and willing buyer or lessee and an informed and willing seller or lessor under no compulsion to sell or lease and, in such determination, costs of removal from the location or current use shall not be a deduction from such value. If on or before sixty (60) days after Lessee has timely elected to renew the lease or purchase the Equipment, Lessor and Lessee do not agree upon a determination of the Fair Market Value or Fair Rental Value of the Equipment, as the case may be, such value shall be determined in accordance with the foregoing definition by a qualified independent appraiser as selected by mutual agreement between Lessor and Lessee, such selection to be made within seventy (70) days after Lessee has timely exercised such election or failing agreement or such selection by a panel of three independent appraisers, one of whom shall be selected by Lessor, the second by Lessee and the third designated by the first two so selected. Lessee and Lessor shall select their respective appraisers within ten (10) days of their failure to mutually agree upon an independent appraiser and those two appraisers shall designate the third within ten (10) days of their selection. The appraiser(s) shall be instructed to make such determination within twenty (20) days

following appointment, and shall promptly communicate such determination in writing to Lessor and Lessee. The determination so made by the sole appraiser or by a majority of the appraisers, if there is more than one, shall be conclusively binding upon both Lessor and Lessee. The expenses and fees of the appraiser(s) shall be borne by Lessee.

(d) Bill of Sale. If Lessee elects to purchase the Equipment as provided herein upon payment of the purchase price, Lessor shall, upon request of Lessee, execute and deliver to Lessee or to Lessee's assignee or nominee, a bill of sale without representations or warranties, express or implied, except that such Equipment is free and clear of all claims, liens, security interests and other encumbrances by or in favor of a person claiming by, through or under Lessor for such Equipment, except liens and claims which Lessee assumed or is obligated to discharge under the terms of the Agreement. Lessee agrees to pay or cause to be paid all sales and/or use taxes payable in connection with such sale, and any unpaid property taxes theretofore assessed or levied against said Equipment.

8. Special Conditions: As a condition precedent to the performance of Lessor's obligations hereunder, Lessee shall execute, or cause to be executed and delivered to Lessor:

*Texas, Kansas, Missouri and Oklahoma

A. Financing Statements: UCC-1 Financing Statement, in form satisfactory to Lessor, for filing with the Secretary of State of * and any other office which Lessor may deem necessary and a waiver of interest or release from any person which may have an interest in the Equipment or the real estate where the Equipment is to be located. **

B. Certificates of Title: Such certificates of title and registrations or applications therefore, manufacturer's statements of origin, dealer's report of sales, or other documents as Lessor may reasonably request from the vendor or manufacturers of the Equipment regarding registration and certification thereof under applicable law.

**Lessee's chief executive office is and (unless Lessor is notified in advance to the contrary) shall remain at its address specified in Agreement.

~~Guaranty. A guaranty in form and substance satisfactory to Lessor of Lessee's obligations hereunder by _____~~

LESSEE

Name MISSOURI-KANSAS-TEXAS RAILROAD COMPANY
By *Karl R. Ziebarth*
Title: ~~Executive Vice President-Financial~~
By _____
Title: ~~Secretary~~

LESSOR

FIRST CITY LEASING CORPORATION
By _____
Title: President
By *Brad McDonald Jr. VP*
Title: Senior Vice President-Marketing

*9. Stipulated Loss Values:

The Stipulated Loss Values are set forth in Attachment 3.

THE STATE OF TEXAS:

Before me, the undersigned, a Notary Public in and for said State, on this day personally appeared KARL R. ZIEBARTH, Executive Vice President-Financial, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Missouri-Kansas-Texas Railroad Company, a corporation, and that he has executed the same as the act of such corporation for the purposes and consideration therein stated.

Given under my hand and seal of office, this 30th day of January, 1984.

Virginia A. Schoeneberger
Virginia A. Schoeneberger
Notary Public in and for the State of Texas

My Commission expires: March 24, 1986.

THE STATE OF TEXAS:

Before me, the undersigned, a Notary Public in and for said State, on this day personally appeared BRAD McDONALD, Senior Vice President-Marketing, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said First City Leasing Corporation, a corporation, and that he has executed the same as the act of such corporation for the purposes and consideration therein stated.

Given under my hand and seal of office, this 13th day of February, 1984.

Mary Webb
(Name)
Notary Public in and for the State of Texas

My Commission expires: **MARY WEBB**
Notary Public, State of Texas
My Commission Expires July 13, 1985

Date. _____
Initial _____

EXHIBIT 1

Description of Equipment

<u>Quantity</u>	<u>Description</u>	<u>Cost</u>
2	New Ottawa YT-50 Yard Tractor	\$ 86,290.00
1	Ballast Regulator, #46-1	<u>83,906.88</u>
	TOTAL	<u>\$170,196.88</u>

Attachment 3
to
Equipment Lease Schedule 2

The Stipulated Loss Value for any item of Equipment shall be an amount equal to the Equipment Cost attributable to that item multiplied by the percentage in the following table set forth beside the rental payment date next following the date on which the event of Loss or Damage occurred (with the Stipulated Loss Value payment to be made on the earlier of such rental payment date or 30 days after the date of the event of Loss or Damage):

<u>Rental Payment Date</u>	<u>Percentage</u>
Later Date	104.273020%
1	102.647940%
2	104.273020%
3	103.814010%
4	103.331650%
5	102.833860%
6	102.312320%
7	101.774940%
8	101.213380%
9	100.627410%
10	100.024910%
11	99.397550%
12	98.745080%
13	98.075390%
14	94.528280%
15	93.807190%
16	93.060000%
17	92.296710%
18	91.506880%
19	90.700500%
20	89.867130%
21	89.006460%
22	88.128510%
23	87.222800%
24	86.289050%
25	85.337230%
26	81.505030%
27	80.495840%
28	79.457520%
29	78.400030%
30	77.312900%
31	76.206090%
32	75.069110%
33	73.901640%
34	72.713650%
35	71.494640%
36	70.244280%
37	68.972530%
38	64.817010%
39	63.481100%
40	62.112620%
41	60.721420%
42	59.297190%
43	57.849670%
44	56.368380%
45	54.852990%
46	53.313400%
47	51.739090%
48	50.129680%
49	48.495080%
50	43.972910%
51	42.266480%

52	40.523570%
53	38.843760%
54	37.127760%
55	35.475150%
56	33.786630%
57	32.061800%
58	30.400280%
59	28.702740%
60	26.968810%

The rental payment dates in the above table refer to the Later Date (as a rental payment is then due) and to the 60 consecutive monthly rental payment dates thereafter.