

# REX LEASING

13271

RECORDATION NO. .... Filed 1425

*with*  
70/13/1981-10 15 AM  
October 7, 1981

INTERSTATE COMMERCE COMMISSION

No. 1-286A031  
~~1-286A031~~  
OCT 13 1981  
Date.....  
Fee \$ 50.00  
ICC Washington, D. C.

Mrs. Mildred Lee  
Interstate Commerce Commission  
Recordation Department, Room 2227  
12th and Constitutional Avenue, N.W.  
Washington, D.C. 20423

Dear Mrs. Lee:

Please find enclosed a Lease Agreement in triplicate dated September 23, 1981 between Rex Railways, Inc., Englewood Cliffs, NJ (Lessor) and The Kansas City Southern Railway Company of Missouri (Lessee).

The lease is for 15 years and covers two hundred ninety-nine used 50'6" Boxcars.

Would you please be kind enough to file and record one set of the Lease Agreement and return the other two copies showing the recording numbers and filing dates thereon.

For this purpose, we are enclosing a check to the order of the ICC in the sum of \$50.00.

Thanking you for your courtesy and cooperation, I am

Most cordially yours,  
*Mark A. Salitan*  
Mark A. Salitan  
President

MAS: lps  
Encl.

OCT 13 10 03 AM '81  
RECORDED

**Interstate Commerce Commission**  
Washington, D.C. 20423

10/13/81

OFFICE OF THE SECRETARY

**Mark A. Salitan**  
**President**  
**RexLeasing Inc.**  
**616 Palisade Ave.**  
**Englewood Cliffs, N.J. 07632**

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 **10/13/81** at **10:15am**, and assigned re-  
recording number(s) **13271**

Sincerely yours,

*Gatha L. Mergenovich*  
Gatha L. Mergenovich  
Secretary

Enclosure(s)

# Schedule of Casualty Values

Month	Value	Month	Value
0	19806	46	14745
1	19696	47	14635
2	19586	48	14525
3	19476	49	14415
4	19366	50	14305
5	19256	51	14195
6	19146	52	14085
7	19036	53	13975
8	18926	54	13865
9	18816	55	13755
10	18706	56	13645
11	18596	57	13535
12	18486	58	13425
13	18376	59	13315
14	18266	60	13204
15	18156	61	13094
16	18046	62	12984
17	17936	63	12874
18	17826	64	12764
19	17716	65	12654
20	17606	66	12544
21	17496	67	12434
22	17386	68	12324
23	17276	69	12214
24	17166	70	12104
25	17056	71	11994
26	16946	72	11884
27	16836	73	11774
28	16726	74	11664
29	16616	75	11554
30	16505	76	11444
31	16395	77	11334
32	16285	78	11224
33	16175	79	11114
34	16065	80	11004
35	15955	81	10894
36	15845	82	10784
37	15735	83	10674
38	15625	84	10564
39	15515	85	10454
40	15405	86	10344
41	15295	87	10234
42	15185	88	10124
43	15075	89	10014
44	14965	90	9903
45	14855		

	1	2	3	4	5	6	7
	Month	Value		Month	Value		
1	91	9793		137	4732		
2	92	9683		138	4622		
3	93	9573		139	4512		
4	94	9463		140	4402		
5	95	9353		141	4292		
6	96	9243		142	4182		
7	97	9133		143	4072		
8	98	9023		144	3962		
9	99	8913		145	3852		
10	100	8803		146	3742		
11	101	8693		147	3632		
12	102	8583		148	3522		
13	103	8473		149	3412		
14	104	8363		150	3302		
15	105	8253		151	3192		
16	106	8143		152	3082		
17	107	8033		153	2972		
18	108	7923		154	2862		
19	109	7813		155	2752		
20	110	7703		156	2642		
21	111	7593		157	2532		
22	112	7483		158	2422		
23	113	7373		159	2312		
24	114	7263		160	2201		
25	115	7153		161	2091		
26	116	7043		162	1981		
27	117	6933		163	1871		
28	118	6823		164	1761		
29	119	6713		165	1651		
30	120	6602		166	1541		
31	121	6492		167	1431		
32	122	6382		168	1321		
33	123	6272		169	1211		
34	124	6162		170	1100		
35	125	6052		171	990		
36	126	5942		172	880		
37	127	5832		173	770		
38	128	5722		174	660		
39	129	5612		175	550		
40	130	5502		176	440		
41	131	5392		177	330		
42	132	5282		178	220		
43	133	5172		179	110		
44	134	5062		180	0		
45	135	4952					
46	136	4842					

13271

RECORDATION NO. .... Filed 1425

10/13/1981 - 10 15 AM

LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS LEASE AGREEMENT, made as of this 23rd day of September, 1981, between REX RAILWAYS, INC., a New Jersey corporation, 616 Palisade Avenue, Englewood Cliffs, N.J. ("REX") as Lessor, and THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation (the "Lessee"), as Lessee.

RECITALS

Lessee desires to lease from REX as Lessor certain railroad cars hereinafter specifically designated, all upon the rentals, terms and conditions set forth in this Lease.

AGREEMENT

It is Agreed:

1. Lease of Cars. REX agrees to lease to Lessee and Lessee agrees to and does hereby lease from REX railroad cars of the number of units, model, type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Schedule 1 attached hereto and by this reference made a part hereof and as set forth in Schedules which may from time to time be added to this Lease and thereby made a part hereof.

2. Delivery of Cars. REX shall deliver the Cars in five groups of 50 and one group of 49. Delivery shall occur twenty days after each group is deemed acceptable by Lessee's representative at the factory performing initial reconditioning work on the Cars. It is understood between the parties hereto that the final delivery group of 49 cars may contain individual cars which require major repairs prior to acceptance. If such major repairs shall inordinately delay the acceptance of the group, the parties agree that those cars may be excluded from the group for later acceptance, and the remaining cars of the group shall be accepted.

Lessee shall use its best efforts to assist REX in shipping the Cars to Lessee's railroad at the lowest possible cost.

3. Condition of Cars -- Acceptance. All Cars delivered hereunder shall be in satisfactory condition for movement in the normal interchange of rail traffic and shall otherwise comply with the description and specifications contained in the applicable Schedule; but Lessee shall be solely responsible for determining that Cars are in proper condition for loading and shipment. Within five days after REX shall give Lessee notice that some or all Cars are ready for delivery, Lessee may have its authorized representative inspect such Cars at the point specified in the notice and accept or reject them as to condition. Cars so inspected and accepted and any Cars which Lessee does not elect to inspect shall upon delivery thereof to Lessee as above provided be conclusively deemed to be accepted and subject to this Lease and to meet all requirements of this Lease. At REX' request, Lessee shall deliver to REX an executed Certificate of Acceptance in the form of Exhibit A with respect to all accepted cars.

4. Use and Possession. Throughout the continuance of this Lease so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to such Car and shall use such Car on its own property or lines or in the usual interchange of traffic; provided, however, that Lessee agrees that the Cars shall at all times be used (i) in conformity with Interchange Rules; (ii) in compliance with the terms and provisions of this Lease; (iii) in a careful and prudent manner, solely in the use, service and manner for which they were designed; (iv) only within the continental limits of the United States of America or in temporary or incidental use in Canada and Mexico.

5. Term. This Lease shall be effective as to any Car twenty days after the date of delivery by REX of each group of Cars, as provided in Paragraph 2 hereof. The lease term shall commence on the Average Date of Delivery and shall terminate upon expiration of the lease term specified in the applicable Schedule unless sooner terminated in accordance with the provisions of this Lease.

6. Lessee's Right of Termination. Five years after the Average Date of Delivery of the Cars, Lessee shall have the option to terminate this Lease upon written notice delivered to REX at its address listed herein thirty days prior to the termination date specified by Lessee. Upon such termination, Lessee shall provide free storage of the cars to REX for a period of sixty days following the termination date. After the sixty day free storage period, Lessee may charge REX reasonable storage fees until the Cars are removed from Lessee's property.

7. Rental Per Car. During the term of this Lease, Lessee shall pay to REX for each group of Cars, commencing on the date of delivery thereof as provided in Paragraph 2 hereof, the monthly rental specified in the applicable Schedule.

8. Payment. Lessee shall make payment of all sums due hereunder to REX in immediately available funds at the address provided in Paragraph 21 hereof, or such other place as REX may direct. Rental payments shall be made monthly in arrears on or before the 15th day of the month following the month for which such rental is due.

9. Title. Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except as herein provided.

10. Repairs. Lessee shall at the expense of REX perform or cause to be performed all Repair Work. Any parts, replacements or additions made to any Car shall be accessions to such Car and title thereto shall immediately vest in REX. REX understands, after seven years, all or some of the Cars may require heavy repairs in order to qualify the Cars under AAR Class A maintenance standards, and REX agrees to pay for such repairs.

11. Abatement of Rent. Rental payments on any Car shall not abate if such Car is out of service for Repair Work nor on account of any other reason whatsoever.

12. Liens. Lessee shall keep the Cars free from any and all encumbrances or liens in favor of anyone claiming by, through or under Lessee which may be a cloud upon or otherwise affect REX' title, including, but not limited to liens or encumbrances which arise out of any suit involving Lessee, or any act or omission of Lessee or Lessee's failure to comply with the provisions of this Lease, and Lessee shall promptly discharge any such lien, encumbrance or legal process.

13. Indemnities -- Patent Covenants. Lessee agrees to indemnify REX and hold it harmless from any loss, expense or liability which REX may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession or operation of a Car while subject to this Lease, excepting only any such loss, expense or liability which arises solely from REX' negligence. REX agrees to indemnify Lessee and save it harmless against any charge, loss, claim, suit, expense or liability arising out of or on account of the use or incorporation by REX upon delivery of a Car or upon the making of repairs thereto by REX, of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of Lessee's specifications. The term "REX" shall mean and include any subsidiary, parent or affiliated corporation for all purposes of this Paragraph 13. Lessee's indemnity shall not eliminate the rights given Lessee under any manufacturer's warranty assigned to it pursuant to Paragraph 22. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

14. Lettering -- Inventory. At REX' election all Cars may be marked to indicate the rights of REX, or an assignee, mortgagee, trustee, pledgee or security holder of REX' or a lessor to REX and may bear the following inscription: "Title to this Car subject to documents recorded under Section 11303 of the Interstate Commerce Act." Except for renewal and maintenance of the aforesaid lettering or lettering indicating that the Car is leased to the Lessee or to a sublessee in accordance with demurrage tariffs, no lettering or marking (other than Lessee's reporting marks) shall be placed upon any of the Cars by Lessee and Lessee will not remove or change the reporting marks and numbers indicated on the applicable schedule except upon the written direction or consent of REX. REX may at its own cost and expense inspect the Cars from time to time wherever they may be, and Lessee shall, upon request of REX, but not more than once every year, furnish to REX its certified inventory of all Cars then covered by this Lease.

15. Loss, Theft or Destruction of Cars. In the event any Car is lost, stolen, destroyed or damaged beyond economic repair, Lessee shall, within five days of its knowledge thereof, by written notice, fully advise REX of such occurrence. Lessee shall, within 45 days after demand by REX promptly make payment to REX in the amount as is prescribed in the attached Schedule of Casualty Values. This Lease shall continue in full force and effect with respect to any Casualty Car irrespective of the cause, place or extent of any casualty occurrence, the risk of which shall be borne by Lessee, provided, however, that this Lease shall terminate with respect to a Casualty Car on the date REX shall receive all amounts and things granted it on account of such Car under this Paragraph 15, and thereafter Lessee shall have no further liability to REX hereunder with respect thereto excepting accrued rent and liabilities arising or existing under Paragraphs 11, 12, and 13 hereof.

16. Return of Cars. Upon the expiration or termination of this Lease with respect to any Car (other than pursuant to Paragraph 15 hereof), Lessee shall at its sole cost and expense forthwith surrender possession of such Car to REX by delivering same to REX at such repair shop, storage or terminal facility as REX may designate by notice to Lessee. Each Car so surrendered shall be in the same or as good condition, order and repair as when delivered to Lessee, wear and tear from ordinary use and the passage of time excepted, shall be in need of no repairs, and shall be free from all accumulations or deposits from commodities transported in or on the Cars while in the service of Lessee. If any of the Cars do not bear REX' reporting marks and numbers, Lessee shall place such reporting marks and numbers on any or all of the Cars as REX shall designate in writing to Lessee prior to the end of the lease term. Until the delivery of possession to REX pursuant to this Paragraph 16, Lessee shall continue to be liable for and shall pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall in addition make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred. If Lessee is a railroad, Lessee agrees to provide storage at its expense, upon the request of REX for any or all of the Cars for a period of sixty (60) days from the date of expiration or termination of this Lease. Nothing in this Paragraph 16 shall give Lessee the right to retain possession of any Car after expiration or termination of this Lease with respect to such Car except as provided herein.

17. Purchase Option. Lessee shall have the option to purchase any or all of the Cars at the end of the 180th month following the Average Date of Acceptance (the "Termination Date") for the amount of ONE DOLLAR (\$1.00). Lessee shall specify the cars it desires to purchase within thirty days after said Termination Date.

18. Default. If Lessee shall fail to make any payment required hereunder within 30 days after same shall have become due or shall default or fail for a period of 30 days after notice thereof in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or if a proceeding shall have been commenced by or against Lessee under any bankruptcy laws, Federal or State, or for the appointment of a receiver, assignee or trustee of Lessee or its property, or if Lessee shall make a general assignment for the benefit of creditors, then and in any of said events REX may at its election:

(a) terminate this Lease by written notice to such effect, and retake the Cars and thereafter recover as liquidated damages for loss of a bargain and not as a penalty, any and all damages sustained by reason of Lessee's default in addition to all rental unpaid as of said date; or

(b) without terminating the Lease repossess the Cars, and may relet the same or any part thereof to others upon such rental and other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. REX shall not be obligated to accept any lessee offered by Lessee, or to do any act or exercise any diligence whatsoever in the procuring of another lessee to mitigate the damages of Lessee or otherwise. The election by REX to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained. The obligation to pay such deficiency or any sum or sums due and unpaid or any damages suffered

by reason of Lessee's default hereunder shall survive the termination of the Lease and the retaking of the Cars.

The remedies provided in this Paragraph 18 in favor of REX shall not be deemed exclusive but shall, where not by rule of law inconsistent with each other, be cumulative and may be availed of singly, in combination, or all together and in any order, and shall be in addition to all other remedies in REX' 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.

19. Sublease and Assignment. The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

(a) Lessee shall have no right to assign or sublease or loan any of the Cars without the prior written consent of REX, which consent shall not be unreasonably withheld, provided, however, that Lessee shall have the right to sublease any of the Cars to its wholly owned affiliates, or may sublease, for a term not exceeding one year to a responsible company as determined by the Lessee (without being released from the obligations hereunder). Any such sublease shall be upon terms which are in compliance with all applicable Interchange Rules, tariffs, regulations and laws and all terms and conditions of this Lease.

(b) all rights of REX hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part without notice to or consent of Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any lease to REX chattel mortgage, security agreement or equipment trust or other security instrument covering the Cars heretofore or hereafter created by REX provided only that so long as Lessee is not in default under the Lease, Lessee shall be entitled to the peaceful and quiet possession of the Cars. If REX shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee.

The making of an assignment or sublease by Lessee or an assignment by REX shall not serve to relieve such party of any liability or undertaking hereunder nor to impose any liability or undertaking hereunder upon any such assignee or sublessee except as otherwise provided herein or unless expressly assumed in writing by such sublessee or assignee.

20. Opinion of Counsel. Upon the request of REX or its assignee, Lessee will deliver to REX an opinion of counsel for Lessee, addressed to REX or its assignee in form and substance satisfactory to counsel for REX or its assignee, which opinion shall be to the effect that:

(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has corporate power and has taken all corporate action necessary to enter into this Lease and carry out its obligations hereunder;

(b) this Lease has been duly executed on behalf of Lessee and

constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms subject to limitations as to enforceability imposed by the laws of bankruptcy, insolvency, moratorium and similar laws affecting creditor's rights;

(c) the Cars which are then subject to the Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under Lessee; and

(d) no governmental, administrative or judicial authorization, permission, consent, or approval or recording is necessary on the part of Lessee in connection with this Lease or any action contemplated on its part hereunder.

21. Notice. Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

REX at: P. O. Box 968  
Englewood Cliffs, N.J. 07632

or at such other addresses as REX may from time to time designate by such notice in writing and to Lessee at the address first above written or any such other address as Lessee may from time to time designate by notice in writing.

22. Warranty. REX agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any Cars or parts therefor and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights. REX makes no warranty or representation of any kind, either express or implied, as to any matter whatsoever, including specifically but not exclusively, merchantability, fitness for a particular purpose extending beyond the description in the applicable Schedule, or the design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder; and REX shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential damages on account of any matter which might otherwise constitute a breach of warranty or representation. Lessee represents that all of the matters set forth in Paragraphs 20(a), (b) and (c) shall be and are true and correct at all times that any Car is subject to this Lease.

23. Governing Law -- Writing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of New Jersey. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

24. Counterparts. This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which may be evidenced by any such signed counterpart.

25. Severability -- Waiver. If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of REX to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

26. Terminology. In construing any language contained in this Lease, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

27. Past Due Payments. Any nonpayment of rentals or other sums due hereunder, whether during the period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount equal to twelve per cent per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of such overdue sum for the period of time from one week after the due date until such overdue sum is paid.

28. Definitions. For all purposes of this Lease the following terms shall have the following meaning:

(a) "Interchange Rules" -- all codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency, or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

(b) "Average Date of Delivery" -- that date which is determined by (i) multiplying the number of Cars delivered by REX on each day by the number of days elapsed between such day and the date of delivery of the first Car under the applicable Schedule, and (ii) adding all of the products so obtained and dividing that sum by the total number of Cars delivered under the applicable Schedule and (iii) adding such quotient rounded out to the nearest whole number to the date of delivery of the first Car under the applicable Schedule. The date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the Lessee. A Car shall be conclusively deemed delivered to the Lessee 20 days after each group has been accepted at the factory. It is understood and agreed, however, that in the event that certain cars are excluded from the final group of 49 to be delivered, as provided in Paragraph 2 hereof, those cars will also be excluded from the averaging formula of this paragraph, in order to avoid distortion.

(c) "Repair Work" -- all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good working order and repair in accordance with and on the effective date of the requirements of all Interchange Rules and preventive maintenance necessary to keep and maintain the Cars in good working order and repair.

(d) "Casualty Cars" -- Cars which are lost, stolen, destroyed or damaged beyond economic repair.

29. Benefit. Except as otherwise provided herein the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties and (to the extent permitted in Paragraph 19 hereof) their successors and assigns. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 13 hereof shall apply to and inure to the benefit of any assignee of REX, and if such assignee is a trustee or secured party under an indenture under which evidence of indebtedness has been issued in connection with the financing of the Cars, then also to the benefit of any holder of such evidence of indebtedness.

IN WITNESS WHEREOF, REX and Lessee have duly executed this Lease as of the day and year first above written.

REX RAILWAYS, INC.

By *Peter S. Akhan*  
Vice-President

[Corporate Seal]

ATTEST:

*Robert T. [unclear]*  
ASST. Secretary

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

By *V. J. Carter*  
President

[CORPOATE SEAL]

ATTEST:

*Arduin D. Dallen*  
ASSISTANT Secretary

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF JACKSON )

On this 23rd day of September, 1981, before me personally appeared PETER S. SCHAN to me personally known, who being by me duly sworn, says that he is Vice President of REX RAILWAYS, INC., and ROBERT R. ROSS, to me personally known to be the Assistant Secretary of said corporation that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Irene Paulhe*

Irene Paulhe

IRENE PAULHE  
Notary Public - State of Missouri  
Commissioned in Platte County  
My Commission Expires March 22, 1983

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF JACKSON )

On this 23rd day of September, 1981, before me personally appeared T. S. CARTER to me personally known, who being by me duly sworn, says that he is President of THE KANSAS CITY SOUTHERN RAILWAY COMPANY and GERALDINE D. DOLLINS to me personally known to be the Assistant Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Irene Paulhe*

Irene Paulhe

IRENE PAULHE  
Notary Public - State of Missouri  
Commissioned in Platte County  
My Commission Expires March 22, 1983

EXHIBIT A

Schedule to Lease dated \_\_\_\_\_ by and between  
Rex Railways, Inc. ("Rex") and \_\_\_\_\_

CERTIFICATE OF ACCEPTANCE

\_\_\_\_\_, 19\_\_\_\_

Rex Railways, Inc.  
P. O. Box 968  
Englewood Cliffs, New Jersey 07632

Gentlemen:

The undersigned, being a duly authorized representative  
of Lessee, hereby accepts \_\_\_\_\_  
( \_\_\_\_\_ ) Cars bearing numbers as follows:

for the Lessee pursuant to the Lease and certifies that each of  
said Cars is plainly marked in stencil on both sides of each Car  
with the words

Title to the Car subject to documents  
recorded with Interstate Commerce  
Commission.

in readily visible letters not less than one inch (1") in height,  
and that each of said Cars conforms to, and fully complies with  
the terms of said Lease and is in condition satisfactory to the  
Lessee. If the Lessee is a railroad, Lessee hereby certifies  
that it is an interstate carrier by rail and that the Cars are  
intended for actual use and movement in interstate commerce.

THE KANSAS CITY SOUTHERN RAILWAY COMPANY

By \_\_\_\_\_

LESSEE

SCHEDULE I

Description of Cars: Two Hundred Ninety-Nine Used 50'6" Box Cars, Numbered as listed on the Attached Exhibit "B".

Lease Term: 15 (Fifteen) Years.

Rent: Ten and 25/100 (\$10.25) Dollars per car, per day for the first 6 (six) years of the Lease Term. Seven and 50/100 (\$7.50) Dollars per car, per day for the remaining 9 (nine) years of the Lease Term.

## EXHIBIT "B"

## RAILROAD CAR NUMBERS

## STENCILED

KCS 750000  
KCS 750018  
KCS 750026  
KCS 750034  
KCS 750042  
KCS 750051  
KCS 750069  
KCS 750077  
KCS 750085  
KCS 750093  
KCS 750107  
KCS 750115  
KCS 750123  
KCS 750131  
KCS 750140  
KCS 750158  
KCS 750166  
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