



UPPER MERION & PLYMOUTH RAILROAD COMPANY

Box 404

CONSHOHOCKEN, PA., 19428

TELEPHONE: (215) 275-2066

0-070A033

RECORDATION NO. 10922-B Filed 1425

MAR 10 1980 -2 15 PM

INTERSTATE COMMERCE COMMISSION

March 10, 1980

MAR 7 1980
Date
Fcs 60.00

RECORDATION NO. 10922-A Filed 1003 Washington, D.C.

Secretary
Interstate Commerce Commission
Washington, DC 20423
MAR 10 1980 -2 15 PM

INTERSTATE COMMERCE COMMISSION

Dear Sir:

Enclosed for recordation under the provisions of Section 20c of the Interstate Commerce Act and the regulations promulgated thereunder, as amended, are the original and two counterparts each of a Sublease Agreement dated September 4, 1979 and an Assignment and Assumption Agreement dated October 18, 1979.

A general description of the railroad equipment covered by the enclosed documents is as follows:

Twenty-Five (25) 100-ton open-top hopper cars bearing reporting marks and numbers MPSX 2001-2025 inclusive.

The names and addresses of the parties to the enclosed documents are:

A. Sublease Agreement, dated September 4, 1979.

SUBLESSOR: Upper Merion & Plymouth Railroad Company
P.O. Box 404
Conshohocken, PA 19428

SUBLESSEE: Missouri Public Service Company
10700 East Highway 50
Kansas City, Missouri 64138

The Sublease Agreement should be recorded under recordation number 10922-A.

B. Assignment and Assumption Agreement.

ASSIGNOR: Upper Merion & Plymouth Railroad Company
P.O. Box 404
Conshohocken, PA 19428

RECEIVED
MAR 10 2 03 PM '80
FEE OPERATION BR.
I.C.C.

C.T. Kuopler
[Signature]

ASSIGNEE: American Leasing Investors
660 Newport Center Drive
Newport Beach, CA 92660

The Assignment and Assumption Agreement should be filed under recordation number 10922-B.

The undersigned is the Assistant Secretary of the Sublessor and Assignor mentioned in the enclosed documents and has knowledge of the matters set forth therein.

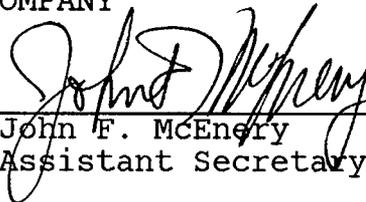
Please return the original of the enclosed Sublease Agreement and Assignment and Assumption Agreement to Charles Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington, DC 20006, or to the bearer hereof.

Also enclosed is a remittance in the amount of the required recording fees.

Very truly yours,

UPPER MERION & PLYMOUTH RAILROAD
COMPANY

By



John F. McEnergy
Assistant Secretary

JFM/ajm
B/WK3

RECORDATION NO. *10922-A* Filed 1425

MAR 10 1980 -2 15 PM

INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

Dated as of September 4, 1979

BETWEEN

UPPER MERION AND PLYMOUTH RAILROAD COMPANY

("LESSOR")

AND

MISSOURI PUBLIC SERVICE COMPANY

("LESSEE")

450

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LEASE AGREEMENT

THIS LEASE AGREEMENT, (this "Agreement") made as of the 4th day of September, 1979, between UPPER MERION AND PLYMOUTH RAILROAD COMPANY, a Pennsylvania corporation (the "Lessor") and MISSOURI PUBLIC SERVICE COMPANY a Missouri corporation (the "Lessee"), as Lessee.

1. Scope of Agreement

A. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor those certain items of railroad equipment (collectively the "Equipment" and individually an "Item of Equipment") as set forth in any lease schedule or schedules (the "Schedule" or "Schedules") executed by the parties concurrently herewith or from time to time hereafter, each of which when signed by both parties shall be part of this Agreement.

B. It is the intent of the parties of this Agreement that the Lessee shall have no interest in the Equipment other than the rights acquired as a lessee hereunder. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Agreement shall remain in full force until it shall have been terminated as to all of the Equipment. The term of this Agreement with respect to each Item of Equipment shall commence upon the date of delivery (the "Commencement Date") of such Item of Equipment as set forth in Section 3A hereof to a location mutually acceptable to Lessor and Lessee and shall continue with respect to such Item of Equipment for the term (the "Term") provided in the Schedule covering such Item of Equipment unless sooner terminated as hereinafter provided. Lessee agrees to confirm the acceptance of the Equipment in writing if requested to do so by Lessor.

B. If this Agreement has not been earlier terminated and no default has occurred and is continuing, the Term with respect to each Item of Equipment shall be automatically extended for not more than five (5) consecutive periods of six (6) months until terminated by either party by giving to the other not less than six (6) months prior written notice of termination. Any such termination shall be effective only on the last day of the Term or the last day of any such extended period.

3. Supply Provisions

A. Lessor will inspect each Item of Equipment tendered by the manufacturer for delivery to Lessee. If the Item of Equip-

ment conforms to the specifications of the equipment ordered by Lessor, and to all applicable governmental regulatory specifications, and this Agreement has not been terminated, Lessor will accept delivery and shall notify Lessee in writing of this acceptance and the date of delivery.

4. Railroad Markings and Record Keeping

A. Lessor agrees that on or before delivery of the Items of Equipment to Lessee, the Items of Equipment will be lettered with the railroad markings of Lessee.

B. Lessor shall, at no cost to Lessee, prepare all documents for filing relating to the registration, maintenance and record keeping functions normally performed by Lessee with respect to the Items of Equipment and shall perform all record keeping functions related to the use of the Items of Equipment by Lessee and other railroads in accordance with AAR railroad interchange agreements. Such matters shall include but are not limited to the preparation of the following documents: (i) registration for the Items of Equipment in the Official Railway Equipment Register and the Universal Machine Language Equipment Register; and (ii) such reports as may be required from time to time by the ICC and/or other regulatory agencies with respect to the Items of Equipment.

C. Lessee shall register each Item of Equipment leased hereunder in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. Such registration shall direct that correspondence from railroads using such Items of Equipment shall be addressed to Lessor.

D. Any record keeping performed by Lessee hereunder and all record of payments, charges, and correspondence related to Items of Equipment shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Lessor from time to time during regular business hours of Lessee. Lessee shall supply Lessor with such reports regarding the use of Items of Equipment by Lessee as Lessor may reasonably request.

5. Maintenance, Taxes and Insurance

A. Lessor will pay all costs, expenses, fees, and charges incurred in connection with the use and operation of each Item of Equipment during the Term of this Agreement and any extension thereof, including but not limited to repairs, maintenance, and servicing unless the same was occasioned by the fault of Lessee. ~~Lessee shall be responsible to inspect all Items of Equipment interchanged to it to insure that such Items of Equipment are in good working order and condition and shall be liable to Lessor for any repairs required for damage not noted at the time of interchange.~~ Lessee hereby transfers and assigns to Lessor for and during the Term of this Agreement of each Item of Equipment all of its right, title and interest in any warranty in respect

Tax
JMB
PCY
JMB
PCY

to the Items of Equipment. All claims or actions on any warranty so assigned shall be made and prosecuted by Lessor at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be made payable to Lessor. All proceeds from such recovery shall be used to repair or replace the Items of Equipment. In addition, in the event that any Item of Equipment is damaged or destroyed, Lessee hereby transfers and assigns to Lessor any claims or actions it may have with respect to such damage or destruction. Any proceeds from such claims or action shall be paid to Lessor.

B. Lessee shall make minor repairs only with Lessor's permission to facilitate continued immediate use of an Item of Equipment, but shall not otherwise make any alterations, improvements, or additions to an Item of Equipment without Lessor's prior written consent. If Lessee makes an alteration to any Item of Equipment without Lessor's prior written consent, Lessee shall be liable to Lessor for any revenues lost due to such alteration. Title to any such alteration, improvement, or addition occurring in the course of or as a result of normal and customary maintenance shall be and remain with Lessor.

C. Lessor shall make or cause to be made such inspections of and maintenance and repairs to the Items of Equipment as may be required. Lessor shall also make, at its expense, all alterations, modifications, or replacements of parts as shall be necessary to maintain the Items of Equipment in good operating condition, as determined by Lessor, throughout the Term of this Agreement for such Items of Equipment. Lessee shall immediately notify Lessor of any necessary maintenance and repairs transmitted to Lessee by any other railroad or shipper. Lessor shall be responsible for arranging repairs and maintenance at its expense except as noted in 5A hereof.

6. Rental Charges

Lessee agrees to pay Lessor, as rental for the Equipment, the rental set forth in the Schedule. The rental shall be payable monthly in arrears, commencing thirty days from the Commencement Date and on the same day of every month thereafter until the expiration of the Term of this Lease. The Lessee's obligation to pay all rental and all other sums payable hereunder is absolute and unconditional and is not subject to any abatement, setoff or counterclaim for any reason whatsoever.

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Equipment in accordance with the terms of this Agreement and in the manner and to the extent the Equipment is customarily used in the railroad freight business. Lessee agrees that to the extent it has physical possession of and can control use of the Equipment it will at all times be used and

operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation, or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume or suffer to exist, any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Equipment or any interest therein or in this Agreement or any Schedule thereto, except liens, claims or encumbrances created by the Lessor. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest, or claim if the same shall arise at any time by any person claiming by, through or under Lessee.

8. Remedies Upon Default

A. The occurrence of any of the following events shall be events of default ("Events of Default"):

(i) The nonpayment by Lessee of any sum required hereunder to be paid by Lessee within ten (10) days after the same has become due and payable;

(ii) The default by Lessee under any other term, covenant, or condition of this Agreement which is not cured within ten days after the receipt of written notice of said default from Lessor;

(iii) Any affirmative act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency, or moratorium law, or any other law or laws for the relief of, or relating to, debtors;

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment;

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which substantially impairs Lessee's capacity to perform its obligations under this Agreement.

B. Upon the occurrence of any Event of Default, Lessor may, at its option, terminate this Agreement and may:

(i) Proceed by appropriate court action to enforce performance by Lessee of this Agreement or to recover direct financial damages which result from a breach thereof (including Lessor's costs and expenses, including court costs and reasonable attorney's fees, in securing such enforcements); or

(ii) Declare all rentals and other sums due or to become due under this Lease to be immediately due and payable whereupon the same shall become immediately due and payable; or

(iii) By notice in writing to Lessee, terminate Lessee's right of possession of the Equipment, whereupon all right and interest of Lessee in the Equipment shall terminate; and thereupon Lessor may by its agents enter upon any premises where the Equipment may be located and take possession of it and henceforth hold, possess and enjoy the same free from any right of Lessee. Lessor shall nevertheless have a right to recover from Lessee any and all rental amounts which, under the terms of this Agreement, may then be due or which may have accrued to that date.

9. Termination

A. At the expiration or termination of this Agreement as to any Item of Equipment set forth on a Schedule attached herein, Lessee will surrender possession of such Item of Equipment to Lessor by delivering the same to Lessor. The assembling, delivery, storage and transporting of the Item of Equipment shall be at the expense and risk of Lessor. An Item of Equipment shall be deemed terminated and no longer subject to this Agreement upon the expiration of the Term of this Agreement.

B. Upon such expiration or termination, Lessee shall grant immediate access to Lessor or Lessor's agents to remove Lessee's railroad markings from the Equipment and place thereon such markings as may be designated by Lessor. Lessee agrees to reimburse Lessor (to a maximum reimbursement of \$50.00 per Item of Equipment) for all costs and expenses incurred by Lessor to remove Lessee's markings and to place new markings on each Item of Equipment.

C. Upon expiration of the Term of this Agreement, all costs of assembling, delivering, storing, and transporting such Equipment, except as provided above, shall be borne by Lessor.

~~D. From and after termination of this Agreement with respect to any Item of Equipment and until its return to Lessor, all revenues earned by such Item of Equipment and received by Lessee shall be paid to Lessor as additional rental for use of the Item of Equipment.~~

10. Indemnities

Lessor will defend, indemnify and hold harmless Lessee from and against (1) any and all loss or damage of or to the Equipment, usual wear and tear excepted, unless occurring through the fault of Lessee; and (2) any claim, cause of action, damage, liability, cost or expense (including legal fees and costs) to which the Equipment may be subject or which may be incurred in any manner by or for the account of any such Equipment (unless occurring through the fault of Lessee) relating to the Equipment or any part thereof, including without limitation the construction, purchase, delivery of the Equipment to Lessee, ownership, leasing or return of the Equipment, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by Lessor or Lessee).

11. Warranties and Covenants

Lessee represents, warrants and covenants that:

A. Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

B. The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

C. There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other government body which might result in any material adverse effect on the business properties and assets, or conditions, financial or otherwise, of Lessee.

D. There is no fact which the Lessee has not disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

Upon request of Lessor or its assignee or mortgagee at any time or times, Lessee shall deliver to Lessor an opinion of

its counsel addressed to Lessor or its assignee or mortgagee, in form and substance satisfactory to Lessor or its assignee or mortgagee, which opinion shall confirm and be to the effect of the matters set forth in this Paragraph 11A through D hereof.

12. Inspection

Lessor shall at any time during normal business hours have the right to enter the premises where the Equipment may be located for the purpose of inspecting and examining the Equipment to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify Lessor of any accident connected with the malfunctioning or operation of the Equipment including in such report the time, place, and nature of the accident and the damage caused to property, the names and addresses of any persons injured and of witnesses and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify Lessor in writing within five (5) days after any attachment, tax lien, or other judicial process shall attach to any Item of Equipment.

13. 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 this Lease or sublease or loan any of the Equipment without the written consent of Lessor.

B. All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any lease, chattel mortgage, security agreement or equipment trust covering the cars heretofore or hereafter created by Lessor and Lessee agrees to confirm this in writing as and when requested by Lessor. If Lessor 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 Lessor 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.

14. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

B. Any notice required or permitted to be given by one party to another hereunder shall be promptly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

Lessor at: Upper Merion and Plymouth
Railroad Company
P.O. Box 404
Conshohocken, PA 19428

ATTENTION: President

Lessee at: Missouri Public Service Company
10700 East Highway 50
Kansas City, Missouri 64138

ATTENTION: President

or such other address as either party may from time to time designate by such notice in writing to the other.

C. No failure or delay by Lessor shall constitute a waiver or otherwise affect or impair any right, power, or remedy available to Lessor nor shall any waiver or indulgence by Lessor or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

F. This Agreement shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

15. Insurance Provision

Lessor will at all times while this Agreement is in effect and at its own expense, cause to be carried and maintained insurance with respect to the Equipment, and property damage and public liability insurance in amounts of not less than the following schedule:

	<u>Each Occurrence</u>	<u>Aggregate</u>
General Liability (Comprehensive)		
Bodily Injury	\$ 500,000	\$1,000,000
Property Damage	500,000	1,000,000
Special Pak Coverage	500,000	1,000,000
Excess Indemnity, Personal Injury & Property Damage Continued	2,500,000	2,500,000

provided, that such insurance continues to be available to Lessor at an annual premium which shall not escalate at a rate in excess of 20% per year. Said insurance shall provide for contractual

coverage as the same arises from this Lease. The insurance required by this Section 15 may be satisfied by a self-insurance program acceptable to Lessee and maintained by Lessor in accordance with sound actuarial principles. Lessor will furnish Lessee concurrently with the execution hereof and thereafter at intervals of not more than 12 calendar months, with a detailed report signed by an independent insurance broker with respect to the insurance carried on the Equipment together with the opinion of such brokers as to its compliance with the provisions of this Section 15. Lessor will cause such firm to agree to advise Lessee promptly of any lapse of any default of payment of any premium and of any other act or omission of Lessor of which it has knowledge which might, in its opinion, invalidate or render unenforceable, in whole or in part, any insurance on the Equipment. All insurance shall be taken out in the name of Lessee and Lessor (and its assignee) as their interests may appear. The policies or certificates shall provide that there shall be no recourse against Lessee for the payment of premiums and shall provide for at least twenty business days prior written notice to be given to Lessee by the underwriters in the event of cancellation. If the Lessor shall default in the payment of any premium in respect to any such insurance policies, Lessee may, but shall not be obliged to, pay such premium, and if Lessee does so, the Lessor shall repay the amount thereof to Lessee on demand. Nothing herein contained nor any provision of any policy obtained hereunder (including, but not limited to, any provision naming Lessee as named insured), shall have the effect of limiting, modifying, or terminating the obligations and responsibilities of Lessor under Section 12 of this Lease or of any other paragraph of this Lease.

UPPER MERION
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ATTEST:

Joseph J. Hallman

UPPER MERION & PLYMOUTH
RAILROAD COMPANY

By

J. N. Ball
Title: Vice President and General Manager

ATTEST:

Helen Williams

MISSOURI PUBLIC SERVICE COMPANY

By

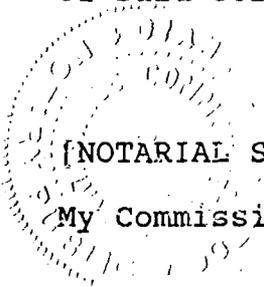
Richard Allen
Title:

President and
General Manager

I/SB

STATE OF Pa.)
COUNTY OF Montgomery) SS:

On this 10th day of September, 1979, before me personally appeared G. M. Ball, to me personally known, who being by me duly sworn, says that he is the V.P., General Mgr. of Upper Merion and Plymouth Railroad Company, that one of the seals 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Diane E. Hertzog
Notary Public

[NOTARIAL SEAL]

DIANE E. HERTZOG, Notary Public
Norristown, Montgomery Co., PA
My Commission Expires: May 12, 1980

My Commission Expires:

STATE OF Missouri)
COUNTY OF JACKSON) SS:

On this 13th day of September, 1979, before me personally appeared Richard Green, to me personally known, who being by me duly sworn, says that he is the President & Gen Mgr of Missouri Public Service Company, that one of the seals 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

E. Joyce Gillihan
Notary Public
E. Joyce Gillihan

[NOTARIAL SEAL]

My Commission Expires:
November 5, 1980.

LEASE SCHEDULE NO. 1

Lease Schedule, dated as of the 4th day of September, 1979, by and between UPPER MERION AND PLYMOUTH RAILROAD COMPANY ("Lessor") and MISSOURI PUBLIC SERVICE COMPANY ("Lessee") pursuant to a certain Lease Agreement (the "Lease") dated as of September 4, 1979 between Lessor and Lessee (the terms and conditions of said Lease are incorporated herein by reference).

DESCRIPTION OF EQUIPMENT: Twenty-Five (25) one hundred ton open top hopper cars

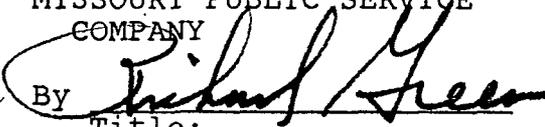
REPORTING NUMBERS AND MARKS: MPSX 2001 through and including MPSX 2025

TERM: Twelve (12) months

RENTAL: \$545.00 per month per Item of Equipment plus \$.02-1/2 per mile for each mile traveled by an Item of Equipment, payable monthly.

WITNESS the due execution hereof as of the day and year first above written.

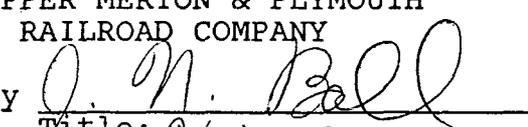
MISSOURI PUBLIC SERVICE
COMPANY

By 

Title:

President and
General Manager

UPPER MERION & PLYMOUTH
RAILROAD COMPANY

By 

Title:

Vice President and
General Manager