

## LEASE AGREEMENT

Lease Agreement dated as of November 15, 1973, between CONTINENTAL ILLINOIS LEASING CORPORATION, a Delaware corporation ("Lessor"), and DETROIT, TOLEDO AND IRONTON RAILROAD COMPANY, a Delaware corporation ("Lessee").

## 1. LEASE OF EQUIPMENT

Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, upon the terms and conditions hereinafter set forth, the units of personal property (the "Equipment") described in Supplement No. 1 (the "Supplement") attached hereto as Exhibit A. The Equipment consists of 135 railroad box cars (each box car being referred to as a "unit" of Equipment), or such lesser number of units as shall be delivered to and accepted by Lessee on or prior to the Commencement Date (as defined in Exhibit A). Deliveries of units of Equipment shall be in minimum groups of 20 units, except for the final delivery, and except that Lessor may elect to accept deliveries prior to January 1, 1974 in groups of less than 20 units. The aggregate cost (the "Acquisition Cost") for the acquisition and delivery of all units of Equipment which Lessor agrees to purchase and lease to Lessee hereunder shall not exceed \$5,000,000.

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INTERSTATE COMMERCE COMMISSION

2. LEASE TERM

The term of lease under this Lease Agreement of each unit of Equipment shall commence on the date of delivery of such unit and shall continue for the lease term specified therefor in the Supplement.

3. RENT, NET LEASE

Lessee shall pay to Lessor rent for the Equipment in the amounts and on the dates specified in the Supplement in accordance with the terms and conditions of the Supplement. All rent and other amounts due hereunder from Lessee to Lessor shall be paid to Lessor at the location specified in the Supplement. In the event any rent or other amounts due hereunder shall not be made promptly when due, Lessee shall pay Lessor, as additional rent hereunder, interest on such overdue amount from the due date thereof to the date of payment thereof at a rate equal to the lesser of (i) 10% per annum or (ii) the maximum rate permitted by law.

This Lease Agreement provides for a net lease and the rent and other amounts due hereunder from Lessee to Lessor shall not be subject to any defense, claim, reduction, set-off or adjustment for any reason whatsoever. Lessee shall promptly pay all costs, expenses and obligations of every kind and nature

incurred in connection with the use or operation of the Equipment which may arise or be payable during the lease term of such Equipment hereunder, whether or not such cost, expense or obligation is specifically referred to herein.

4. DISCLAIMER OF LESSOR'S WARRANTIES

Lessee agrees and acknowledges that all units of Equipment have been or will be ordered to Lessee's specifications from vendors of Lessee's choice and that LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTY WHATSOEVER OF TITLE, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, OR OTHERWISE REGARDING THE EQUIPMENT OR ANY UNIT THEREOF. Lessor shall, at Lessee's sole expense, take all action reasonably requested by Lessee to make available to Lessee to the fullest extent possible any rights of Lessor under any express or implied warranties of any manufacturer or vendor of the Equipment.

5. LESSEE'S WARRANTIES

Lessee represents and warrants that:

(a) Lessee is a corporation duly organized and existing in good standing under the laws of the State of Delaware.

(b) Lessee is duly authorized to execute and deliver this Lease Agreement, to lease Equipment hereunder, to execute and deliver the Supplement and to perform its obligations hereunder and thereunder.

(c) The execution and delivery of this Lease Agreement and the Supplement by Lessee, and the performance by Lessee of its obligations hereunder and thereunder, do not and will not conflict with any provision of law or of the charter or by-laws of Lessee or of any indenture, mortgage, deed of trust or agreement or instrument binding upon Lessee or to which Lessee is a party.

(d) The execution, delivery and performance of this Lease Agreement and the Supplement by Lessee and the consummation by Lessee of the transactions contemplated hereby and thereby does not require the consent, approval or authorization of, or notice to, any Federal or State governmental authority or public regulatory body (or, if any of the foregoing is required, the same has been duly obtained or given and copies thereof furnished to Lessor).

(e) Lessee's financial statement as at October 31, 1973, a copy of which has been furnished to Lessor, has been prepared in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce

Commission applied on a basis consistent with that of the preceding fiscal year and presents fairly the financial condition of Lessee as at the date thereof, and the results of its operations for the period then ended, and since such date there has been no material adverse change in its financial condition.

(f) This Lease Agreement and the Supplement are legal, valid and binding obligations of Lessee enforceable in accordance with their respective terms.

(g) There are no pending or threatened actions or proceedings before any court or administrative agency which may to a material extent adversely affect the financial condition or continued operation of Lessee (except as previously disclosed in writing by Lessee to Lessor).

Lessee further represents that each unit of Equipment on the date of delivery thereof will have an estimated useful life of at least two years beyond the expiration of the term of lease under this Lease Agreement for such unit of Equipment and an estimated fair market value at the end of such term of at least 15% of the Acquisition Cost for such unit of Equipment.

6. OWNERSHIP, LOCATION, USE OF AND LIENS ON EQUIPMENT

(a) The Equipment shall be the exclusive property of Lessor, and Lessee shall have no rights therein except the right to use it so long as Lessee is not in default thereunder.

(b) Lessee agrees that the Equipment will be used solely in the conduct of its business, with due care to prevent injury thereto or to any person or property and in conformity with all applicable laws, ordinances, rules, regulations and other requirements of any insurer or governmental body (including, without limitation, any requirements regarding licensing or registration, or evidencing title to the Equipment, all of which shall be done in such manner as shall have previously been approved in writing by Lessor). Lessee shall not permit the Equipment to become or remain a fixture to any real estate or an accession to any personalty not leased hereunder. Lessor or any duly authorized representative of Lessor may, during reasonable business hours from time to time, inspect the Equipment and Lessee's records with respect thereto wherever the same may be located.

(c) Lessee agrees to comply in all respects with all laws of the jurisdictions in which the units may be operated, with the interchange rules of the Association of American Railroads, if applicable, and with all lawful rules of the Department of Transportation and the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the units. In the event that such laws or rules require the alteration of the units or in case any equipment or appliance on any such unit shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on such unit in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such alterations, changes, additions and replacements at its own expense; and Lessee agrees at its own expense to use, maintain and operate such unit in full compliance with such laws, regulations, requirements and rules so long as it is subject to this Lease Agreement; provided, however, that Lessee may, in good faith, contest the validity or application of any such law,

regulation, requirement or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor hereunder.

(d) Lessee shall not permit any lien, charge, encumbrance, security interest, or other similar interest to arise or remain on any Equipment other than (i) liens placed by Lessor or liens of persons claiming against Lessor but not Lessee, which arise out of obligations which Lessee is not required by this Lease Agreement to pay or discharge, (ii) liens of current taxes not delinquent, and (iii) inchoate materialmen's or mechanics liens arising in the ordinary course of business and not delinquent.

(e) Lessee shall place and maintain on each side of each unit of Equipment a notice (in letters not less than one inch in height) conspicuously disclosing Lessor's ownership thereof as follows:

"Continental Illinois Leasing Corporation,  
Owner-Lessor"

or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to

protect the title of Lessor to such unit and the rights of Lessor under this Lease Agreement. Lessee will not place any such unit in operation or exercise any control or dominion over the same until such names and words shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. Lessee shall maintain on each unit of Equipment the serial and other identifying numbers, if any, set forth on the applicable Supplement. Lessee will not change the identifying number of any unit except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with Lessor by Lessee and filed, recorded or deposited by Lessee in all public offices where this Lease Agreement and the Supplement shall have been filed, recorded or deposited.

Except as above provided, Lessee, so long as this Lease Agreement shall remain in effect, will not allow the name of any person, association or corporation to be placed on the units as a designation that might be interpreted as a claim of ownership;

provided, however, that Lessee may cause the units to be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of their rights to use the units as permitted under this Lease Agreement.

7. MAINTENANCE OF EQUIPMENT; EVENT OF LOSS

(a) Lessee shall at all times keep the Equipment in good repair and efficient condition and working order, reasonable wear and tear excepted. Lessee shall supply all parts, service, and other items required in the operation and maintenance of the Equipment. All parts, improvements, additions, replacements and substitutions to or for any Equipment shall immediately become Equipment and the property of Lessor. Lessee assumes all risk of, and Lessee's obligations under this Lease Agreement shall continue unmodified despite, any loss, theft, destruction, damage, condemnation, requisition or taking by eminent domain or other interruption or termination of use of any Equipment regardless of the cause thereof.

(b) Upon the happening of any loss, theft, destruction, damage, condemnation, requisition, taking by eminent domain or other interruption or termination of use of any unit of Equipment regardless of the cause thereof (herein collectively called an "Event of Loss"), Lessee shall promptly make all repairs and replacements necessary to restore or repair such unit of Equipment so that the Equipment thereafter subject to lease hereunder is substantially equivalent to, and of a value not less than, the Equipment subject to lease hereunder prior to such Event of Loss; provided, however, that Lessee may instead within 30 days of such Event of Loss, furnish Lessor with an affidavit of an officer of Lessee setting forth the fact of such Event of Loss and, on the next subsequent rent payment date hereunder with respect to such unit of Equipment following the furnishing of said affidavit, pay to Lessor the Stipulated Loss Value (as defined in Schedule I to the Supplement determined as of such next subsequent rent payment date) of such unit of Equipment. Upon payment of (i) such Stipulated Loss Value, (ii) any rent accrued and unpaid on such unit of Equipment to and including the rent payment

date immediately preceding the date such affidavit is furnished and (iii) any other amounts owing by Lessee hereunder, whether as additional rent, indemnification or otherwise, Lessor shall transfer to Lessee, without any representation or warranty of any kind, express or implied, whatever title to such unit of Equipment it may have. Upon such transfer the lease of such unit of Equipment hereunder shall end.

(c) When Lessee has fulfilled the requirements of paragraph (b) regarding an Event of Loss, Lessor shall (if no event of default, or event which might mature into an event of default, has occurred and is continuing) reimburse Lessee for its costs thus incurred to the extent of any proceeds received by Lessor because of such Event of Loss either under any policies of insurance provided for in Section 8 or as satisfaction of any claim (other than one to which an insurer is or may be subrogated) by Lessor against any person or persons liable in respect of such Event of Loss, after subtracting in each instance all costs and expenses, including (without limitation) reasonable legal fees and expenses, incurred by Lessor and not otherwise reimbursed by Lessee in respect thereto.

8. INSURANCE

(a) Lessee will cause to be carried and maintained at all times during the term of this Lease Agreement physical damage and liability insurance covering the Equipment in the name of Lessor and Lessee in such amounts and in such form as Lessee would in the prudent management of its properties maintain with respect to similar equipment owned by it. In all events Lessee will cause to be carried and maintained in the name of Lessor and Lessee insurance against all risks of physical damage to the Equipment as provided under a standard all-risk policy. Such insurance policy or policies shall provide that all losses thereunder will be adjusted with Lessee or Lessor and will be payable to Lessor and Lessee as their respective interests shall appear.

(b) The policies of insurance required under this Section 8 shall be valid and enforceable policies issued by insurers of recognized responsibility acceptable to Lessor. Upon the execution hereof, and thereafter not less than 10 days prior to the expiration dates of any expiring policies theretofore furnished under

this Section 8, originals of the policies and satisfactory evidence of the payment of premiums thereon shall be delivered by Lessee to Lessor except that Lessor may accept copies of the policies and certificates of insurance in lieu of original policies. Such policies may be blanket policies covering other equipment not covered by this Lease Agreement, provided that any blanket policy shall in an accompanying certificate of insurance or rider specifically designate the Equipment described in the Supplement as being included therein and covered thereby to the full extent of the amounts herein required and shall name Lessor as an insured party thereunder with respect to such Equipment. All such policies shall contain an agreement by the insurers that such policies shall not be cancelled without at least 10 days' prior written notice to Lessor and that the insurer will give notice in the event of nonpayment of premium by Lessee when due.

9. TAXES

Lessee agrees to pay (and does hereby agree to indemnify and hold Lessor harmless from and against) all sales, use, personal property, leasing, leasing use, stamp or other taxes, levies, imposts,

duties, charges or withholdings of any nature (together with any penalties, fines or interest thereon) imposed against Lessor, Lessee or the Equipment by any Federal, State or local government or taxing authority upon or with respect to the Equipment or upon the purchase, ownership, delivery, lease, possession, use, operation, return, sale or other disposition thereof hereunder or in connection herewith, or upon the rentals, receipts, or earnings arising therefrom, or upon or with respect to this Lease Agreement (excluding, however, Federal and State taxes on, or measured by, the net income of Lessor) unless, and to the extent only that, any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings. Lessee agrees to file, on behalf of Lessor, all required tax returns and reports concerning the Equipment with all appropriate governmental agencies and to furnish Lessor a copy of each such return or report within 30 days after the due date of such filing.

#### 10. INDEMNIFICATION AND EXPENSES

(a) Lessee agrees to and does hereby indemnify and hold Lessor and its agents, employees, stockholders, officers and directors harmless from and against any and all expense, liability or loss whatsoever, including (without limitation) reasonable legal fees and expenses,

relating to or in any way arising out of this Lease Agreement, the Supplement or the purchase, ownership, delivery, lease, possession, rental, use, operation, return, sale or disposition of the Equipment hereunder or in connection herewith (including without limitation, expense, liability or loss relating to or in any way arising out of injury to persons or property and patent or invention rights or strict liability in tort). Lessor shall give Lessee and Lessee shall give Lessor notice of any event or condition which requires indemnification by Lessee hereunder, or any allegation of such event or condition, promptly upon obtaining knowledge thereof, and, to the extent that Lessee makes or provides to the satisfaction of Lessor for payment under the indemnity provisions hereof, Lessee shall be subrogated to Lessor's rights with respect to such event or condition and shall have the right to determine the settlement of claims thereon, it being agreed that except to the foregoing extent, Lessor shall have the right to determine such settlement. Lessee shall pay all amounts due hereunder promptly on notice thereof from Lessor.

(b) If as to any unit of Equipment Lessor shall not be entitled under any circumstances other than as set

forth in paragraph (d) below to any portion or all of the maximum investment credit presently allowable under Section 38(a) of the Internal Revenue Code of 1954, as amended, for new property with a useful life equivalent to the lesser of the Depreciable Life (as defined in the Supplement) or the lease term set forth in the Supplement for such unit of Equipment, or if at any time Lessor shall lose, have recaptured or be deemed not to be entitled to any portion or all of said maximum investment credit on such unit of Equipment under any circumstances other than as set forth in such paragraph (d), then Lessee shall pay Lessor, upon demand, the sum of (1) the amount of said maximum investment credit which Lessor shall have so lost, had recaptured or failed to receive; (2) the amount of any interest (net of any actual decrease in Federal income tax caused by any allowable deduction of such interest from taxable income) or penalties, including any additions to tax because of underpayment of estimated tax, which may be assessed against Lessor in connection therewith; and (3) the amount of any taxes required to be paid by Lessor in respect of the receipt of amounts referred to in clauses

(1) and (2) above and the receipt of amounts pursuant to this clause (3). If, at any subsequent time, Lessor shall be allowed any portion or all of said maximum investment credit which it lost, had recaptured or failed to receive at any time previous and for which payment had been made to Lessor by Lessee pursuant to this paragraph (b), then, promptly after said allowance, Lessor shall pay Lessee the sum of (i) all amounts with respect thereto paid to Lessor by the Federal government (including refunds of investment credit, interest, and penalties and any additional interest paid to Lessor by the Federal government on such refunds) reduced by all taxes required to be paid by Lessor in respect of the receipt of such amounts from the Federal government, and (ii) the amount of any taxes saved by Lessor in respect of its payment to Lessee of amounts referred to in clause (i) above and its payment to Lessee of amounts pursuant to this clause (ii). Lessor agrees to use its best efforts to take the maximum investment credit to which it shall reasonably deem itself entitled with respect to the Equipment on its Federal income tax return for the earliest possible year for which it can be taken.

(c) If Lessor, in computing its Federal taxable income for any part of the lease term of any unit of Equipment shall under any circumstances other than as set forth in paragraph (d) below lose the benefit of or the right to claim or there shall be disallowed or recaptured all or any portion of depreciation deductions for Federal income tax purposes for such unit of Equipment based on depreciation of the Acquisition Cost (as defined in the Supplement) of such unit over the Depreciable Life (as so defined) to the Net Salvage Value (as so defined) therefor using any appropriate depreciation method which Lessor, in its complete discretion, may select, then Lessee shall pay Lessor, on each rent payment date during the remaining lease term of such unit, as additional rent hereunder, an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof, shall be sufficient to yield to Lessor the same return as would have been realized by Lessor in respect of this Lease Agreement if such loss, disallowance, or recapture of depreciation deductions or the right to claim the same had not occurred, which amount shall, if subsequent

circumstances require, be thereafter adjusted (or further appropriate adjustments shall be made in respect thereof) when and to the extent necessary so that Lessor's return shall be as aforesaid. In addition, Lessee shall also pay Lessor, on demand, as additional rent hereunder, an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof, shall be equal to the amount of any interest (net of any actual decrease in Federal income tax caused by any allowable deduction of such interest from taxable income) or penalties, including any additions to tax because of underpayment of estimated tax, which may be assessed against Lessor in connection with such loss, disallowance, or recapture of depreciation deductions or the right to claim the same.

(d) Lessee shall not be required to pay Lessor the amounts provided for in paragraphs (b) and (c) above if the loss or disallowance of investment credit or depreciation deductions, as the case may be, or the right to claim the same, shall result from the occurrence of any of the following events:

(i) Lessor shall fail to claim such investment credit or depreciation deductions in its income tax returns for the appropriate years or shall fail to follow the proper procedures in claiming such investment credit or depreciation deductions and such failure to claim or follow such procedures, as the case may be, shall preclude Lessor from claiming such investment credit or depreciation deductions;

(ii) Lessor shall not have sufficient income to benefit from such investment credit or depreciation deductions;

(iii) Lessor shall, at any time when no event of default has occurred and is continuing, without the written consent of Lessee, voluntarily transfer legal title to (other than a transfer pursuant to Section 7(b) hereof), dispose of or reduce its interest in such Equipment and such transfer, disposition or reduction in interest shall be the direct cause of such loss; or

(iv) Lessor shall fail to take timely action in contesting a claim made by the Internal Revenue Service with respect to the disallowance

of the investment credit or depreciation deductions pursuant to paragraph (e) below and the failure to take such action in a timely manner shall preclude all rights to contest such claim, unless Lessee shall agree to such failure.

(v) Lessee shall have paid Lessor the Stipulated Loss Value of such unit of Equipment pursuant to Section 7(b) hereof; or

(vi) With respect only to a loss or disallowance of investment credit, Lessor shall have elected in writing for purposes of the investment credit to treat Lessee as the purchaser of the unit of Equipment involved.

(e) In the event a claim shall be made by the Internal Revenue Service which, if successful, would result in a loss of such investment credit or depreciation deductions under circumstances which would require Lessee to indemnify Lessor for such loss, Lessor hereby agrees to notify Lessee promptly of such claim, to not make payment of the tax claimed for at least 30 days after giving such notice, to give to Lessee any relevant information

requested by it relating to such claim which may be particularly within the knowledge of Lessor and, if Lessee shall, within 30 days after such notice, request that such claim be contested, to take such action in connection with contesting such claim as Lessee shall reasonably request in writing from time to time, but only if Lessee shall, contemporaneously with such initial request, have (i) made provision for Lessor's indemnification in a manner satisfactory to Lessor for any liability or loss which Lessor may from time to time incur as the result of contesting such claim and reimbursement for all costs and expenses, including legal fees and disbursements, which Lessor may incur in connection with the contesting of such claim and (ii) furnished Lessor with an opinion of independent tax counsel to the effect that a meritorious defense exists to such claim; provided, however, that at any time after having received such request from Lessee, Lessor, at its sole option, may forego any and all administrative appeals, proceedings, hearings and conferences with the Internal Revenue Service in respect of such claim and may, at its sole

option, either pay the tax claimed and sue for a refund in the appropriate United States District Court or the United States Court of Claims, as Lessor shall elect, or contest such claim in the United States Tax Court, considering, however, in good faith such request as Lessee shall make concerning the most appropriate forum in which to proceed.

(f) References in Section 9 and in paragraphs (b) through (e) of this Section 10 to Lessor shall be deemed to mean any affiliated group of which Lessor is a part which files a consolidated return for Federal income tax purposes, provided that only Lessor shall be obligated with respect to the covenants and duties therein expressed to be imposed on Lessor.

(g) All of the indemnities and agreements of Lessee contained in this Section 10 shall survive and continue in full force and effect notwithstanding termination of this Lease Agreement or of the lease of any or all units of Equipment hereunder.

#### 11. RETURN OF EQUIPMENT

Upon final termination of the lease term hereunder of any unit of Equipment (other than a termination under Section 7(b)),

Lessee shall forthwith deliver possession of the units to Lessor. For the purpose of delivering possession of any unit or units to Lessor as above required, Lessee shall at its own cost, expense and risk:

A. forthwith place such units upon such storage tracks of Lessee as Lessor reasonably may designate,

B. permit Lessor to store such units on such tracks at the risk of Lessee until such units have been sold, leased or otherwise disposed of by Lessor, provided that Lessor agrees to pay Lessee's reasonable storage charges for any storage after 180 days, and

C. transport the same to any place on the lines of railroad operated by it or to any connecting carrier for shipment, all as directed by Lessor.

The assembling, delivery, storage (except as above provided) and transporting of the units as hereinbefore provided shall be at the expense and risk of Lessee and are of the essence of this Lease Agreement, and upon application to any court of equity having jurisdiction in the premises Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of

Lessee so to assemble, deliver, store and transport the units. During any storage period, Lessee shall maintain insurance on the units of Equipment in accordance with Section 8 hereof and shall permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such unit, to inspect the same; provided, however, that Lessee shall not be liable, except in the case of negligence of Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser, the rights of inspection granted under this sentence.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 11, Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee, with full power and authority, at any time while Lessee is obligated to deliver possession of any unit to Lessor, to demand and take possession of such unit in the name and on behalf of Lessee from whomsoever shall be in possession of such unit at the time.

Lessor may also, in its sole discretion, elect to abandon such unit of Equipment at its then location (and Lessee hereby consents to such an abandonment). If Lessor elects to abandon any unit of the Equipment, whatever title Lessor has to such

unit of Equipment shall thereupon pass to Lessee, without any representation or warranty of any kind, express or implied.

## 12. FINANCIAL STATEMENTS

Lessee shall furnish to Lessor, (i) within 90 days after each fiscal year of Lessee, a copy of the annual audit report of Lessee, prepared in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission applied on a basis consistent with that of the preceding fiscal year, and signed by independent certified public accountants satisfactory to Lessor, (ii) within 45 days after each quarter (except the last quarter) of each fiscal year of Lessee, a copy of its unaudited financial statement, similarly prepared, consisting of at least a balance sheet as at the close of such quarter and a profit and loss statement and analysis of surplus for such quarter and for the period from the beginning of such fiscal year to the close of such quarter, and signed by a proper accounting officer of Lessee, (iii) with the annual audit report each year, a certificate of a responsible officer of Lessee to the effect that, except as otherwise specified therein, (x) all units of Equipment are in existence and in good and efficient condition, have been marked as required by paragraph (e) of Section 6 hercof and, (y) no event of default, or event which might mature

into an event of default, has occurred and is continuing under this Lease Agreement, and (iv) from time to time, such other information as Lessor may reasonably request.

### 13. EVENTS OF DEFAULT

(a) The following shall be events of default hereunder:

(i) Default, and continuance thereof for 15 days, in the payment of any rent or other amount hereunder;

(ii) Any obligation of Lessee or any subsidiary for borrowed money or payment of rent (other than any such obligation of any subsidiary to Lessee or any other subsidiary) becomes or is declared to be due and payable prior to its express maturity by reason of default by Lessee or such subsidiary in the performance of observation of any obligation or condition;

(iii) Default in the performance of any of Lessee's agreements herein set forth (and not constituting an event of default under either of the preceding clauses of this paragraph (a)) and continuance of such default for 30 days after notice thereof from Lessor to Lessee;

(iv) Any representation or warranty made by Lessee in this Lease Agreement or the Supplement or any Acceptance Certificate (as defined in the Supplement) is untrue in any material respect, or any statement, report, schedule, notice or other writing furnished by Lessee to Lessor in connection herewith is untrue in any material respect on the date as of which the facts set forth are stated or certified; or

(v) Lessee or any subsidiary becomes insolvent or admits in writing its inability to pay its debts as they mature, or applies for, consents to or acquiesces in the appointment of a trustee or a receiver for Lessee or such subsidiary or any property of either thereof; or, in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for Lessee or any subsidiary or for a substantial part of the property of either thereof and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation

proceeding is instituted by or against Lessee or any subsidiary, and, if instituted against Lessee or any subsidiary is consented to or acquiesced in by Lessee or such subsidiary, or remains for 60 days undismissed.

When used herein, unless the context otherwise requires, the term "event of default" shall mean any event described in the foregoing clauses (i) through (v) and the term "event which might mature into an event of default" shall mean any event which with the lapse of time, or with notice to Lessee and lapse of time, would constitute an event of default. Lessee shall give Lessor prompt notice of any event of default or of any event which might mature into an event of default. When used in this Section 13, the term "subsidiary" shall not include The Ann Arbor Railroad Company, a Michigan corporation, during the pendency of reorganization proceedings in Case No. 74-90833 in the United States District Court for the Eastern District of Michigan.

(b) Upon the happening of an event of default, Lessor shall (except to the extent otherwise required by law) be entitled to:

(1) repossess any or all Equipment without prejudice to any remedy or claim hereinafter referred to;

(2) elect to sell any or all Equipment, after giving 30 days' notice to Lessee, at one or more public or private sales and recover from Lessee as liquidated damages for Lessee's default hereunder an amount equal to the amount, if any, by which (A) the sum of (i) the aggregate Stipulated Loss Value of such Equipment on the date such notice is given, (ii) all rent and other amounts owing hereunder to and including the rent payment date immediately preceding the date such notice is given, (iii) all costs and expenses incurred in searching for, taking, removing, keeping, storing, repairing, restoring and selling such Equipment, and (iv) all costs and expenses, including (without limitation) reasonable legal fees and expenses, incurred by Lessor as a result of Lessee's default hereunder, exceeds (B) the amount received by Lessor upon such public or private sales of such Equipment;

(3) upon notice to Lessee receive prompt payment from Lessee of an amount equal to the aggregate Stipulated Loss Value of all Equipment which has not been sold by Lessor pursuant to clause (2) above plus, to the extent not otherwise recovered from Lessee pursuant to said clause (2) above, (i) any rent and other amounts owing hereunder to and including the rent payment date immediately preceding the date such notice is given, (ii) all costs and expenses incurred in searching for, taking, removing, keeping, storing, repairing and restoring such Equipment, and (iii) all other amounts owing by Lessee hereunder, whether as additional rent, indemnification or otherwise, and (iv) all costs and expenses, including (without limitation) reasonable legal fees and expenses, incurred by Lessor as a result of Lessee's default hereunder; provided that upon receipt of payment in full of such amount, Lessor shall transfer to Lessee, without any representation or warranty of any kind, express or implied, whatever title to such units of Equipment it may have;

(4) by notice to Lessee, declare this Lease Agreement terminated without prejudice to Lessor's rights in respect of obligations then accrued and remaining unsatisfied; or

(5) avail itself of any other remedy or remedies provided for by any statute or otherwise available at law, in equity, or in bankruptcy or insolvency proceedings.

The remedies herein set forth or referred to shall be cumulative. The references to additional rent in clauses (2) and (3) of this paragraph (b) shall each include, without limitation, interest at the applicable rate specified, in the first paragraph of Section 3, to the date of receipt by Lessor of the amount payable under said clause, on installments of rent owing hereunder to and including the rent payment date immediately preceding the date on which notice is given under said clause, from the respective due dates of such installments, and interest on all other costs, expenses and losses for which Lessor is entitled to payment under said clause from the respective dates incurred by Lessor.

14. SUBLEASE, ASSIGNMENT, MERGER, ETC.

So long as Lessee shall not be in default under this Lease Agreement, Lessee shall be entitled to the possession and use of the units in accordance with the terms of this Lease Agreement, but, without the prior written consent of Lessor, Lessee shall not assign, transfer or sublet its leasehold interest under this Lease Agreement in the units or any of them. Lessee shall not, without the prior written consent of Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the units, except to the extent permitted by the provisions of the next succeeding paragraph hereof.

So long as Lessee shall not be in default under this Lease Agreement, Lessee shall be entitled to the possession of the units and to the use thereof upon its lines of railroad or upon the lines of any affiliate or upon lines of railroad over which Lessee has trackage or other operating rights or over which railroad equipment of Lessee is regularly operated pursuant to contract, and also to permit the use of the units upon other railroads in the usual interchange of traffic, if customary at the time, but only upon and subject to all the terms and conditions of this Lease Agreement. Lessee may receive and retain compensation for such use from other railroads so using any of the units.

Lessee agrees that during the term of this Lease Agreement Lessee will not regularly use or permit the regular use of any unit outside the United States of America.

Lessee shall not, without Lessor's prior written consent, be a party to any merger or consolidation, or sell, convey, transfer or lease all or any substantial part of its property; provided that Lessee may be a party to a merger in which it is the surviving corporation if immediately after such merger there shall exist no event of default or event which might mature into an event of default.

Lessor and any direct or remote assignee of any right, title or interest of Lessor hereunder shall have the right at any time or from time to time to assign part or all of its right, title and interest in and to this Lease Agreement. Without limiting the foregoing, Lessor and any such assignee shall have the right at any time or from time to time to transfer, subject to Lessee's rights under this Lease Agreement, any unit or units of Equipment.

Lessor may obtain financing through a financial institution and secure such financial institution ("Secured Party") by granting a security interest or other lien on any or all of the Equipment, this Lease Agreement and sums due under this Lease Agreement.

In such event (a) security agreement or lien instrument will specifically

provide that it is subject to Lessee's rights as herein provided; (b) such assignment of this Lease Agreement will not relieve Lessor from its obligations hereunder or be construed to be an assumption by Secured Party of such obligations (but Secured Party may perform, at its option, some or all of Lessor's obligations); (c) upon request by Secured Party, Lessee will make all payments of rental and other amounts due hereunder directly to Secured Party; (d) Lessee's obligations hereunder, including (without limitation) its obligation to pay rent and other amounts due hereunder, shall not be subject to any reduction, abatement, defense, set off, counterclaim or recoupment for any reason whatsoever, which, however, shall not prevent Lessee from asserting any claim separately against Lessor; and (e) Lessee will not, after obtaining knowledge of any such assignment, consent to any modification of this Lease Agreement without the consent of Secured Party.

#### 15. COVENANT OF LESSEE

From the date of this Lease Agreement and thereafter so long as any Equipment is leased hereunder, Lessee agrees that it will

(a) not permit the ratio of its consolidated liabilities to its consolidated tangible net worth to exceed 1.0 to 1.0, all as determined on a consolidated basis and in conformity with the Uniform System of Accounts

for Railroad Companies prescribed by the Interstate Commerce Commission applied on a basis consistent with the annual audit report of Lessee as of December 31, 1972. For purposes of this subsection (a), liabilities shall mean all items of indebtedness which, in accordance with said Uniform System of Accounts, would be included in determining liabilities as shown on the liability side of a balance sheet of Lessee as of the date at which such liabilities are to be determined, and tangible net worth shall mean the sum of Lessee's capital stock, retained earnings, and indebtedness subordinated on terms and conditions satisfactory to, *Rec* ~~Lessor~~, less any intangible assets (such as goodwill, trademarks and patents), and The Ann Arbor Railroad Company, a Michigan corporation, shall not be included in determining the consolidated ratio during the pendency of reorganization proceedings in Case No. 74-90833 in the United States District Court for the Eastern District of Michigan.

(b) Not become or be a guarantor or surety of, or otherwise become or be responsible in any manner with respect to, any undertaking of any affiliate, or make or permit to exist any loans or advances to an affiliate. For purposes of this subsection (b), an affiliate shall mean any corporation, partnership or other entity which controls, is under common control with, or is controlled by, Lessee, except that this subsection (b) does not apply to DTI Enterprises Incorporated.

16. LESSOR'S RIGHT TO PERFORM

If Lessee fails to make any payments required by this Lease Agreement, or to perform any of its other agreements contained herein, Lessor may itself, but shall not be required to, make any such payments or perform any such obligations. The amount of any such payment and Lessor's expenses, including (without limitation) reasonable legal fees and expenses in connection therewith and with such performance, shall thereupon be and become payable by Lessee to Lessor upon demand as additional rent hereunder.

17. FURTHER ASSURANCES

Lessee agrees, at its expense, promptly upon Lessor's written request, to execute, acknowledge and deliver such instruments, and to take such other action as may reasonably be necessary in the opinion of Lessor to protect Lessor's interests, including, without limitation, the execution of Uniform Commercial Code financing statements.

18. RECORDING; EXPENSES

Lessee will, at its expense, cause this Lease Agreement and the Supplement and any assignment hereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, re-register, re-record or redeposit whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to Lessor's satisfaction, of Lessor's interest in the units, or for the purpose of carrying out the intention of this Lease Agreement or the assignment thereof by Lessor; and Lessee will promptly furnish to Lessor evidences of all such filing, registering, recording or

depositing, and an opinion or opinions of counsel for Lessee with respect thereto satisfactory to Lessor. This Lease Agreement and the Supplement shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any unit.

#### 19. MISCELLANEOUS

(a) When used herein the term "subsidiary" shall mean a corporation of which Lessee and its other subsidiaries own, directly or indirectly, such number of outstanding shares as have the power (disregarding any voting power, solely by reason of the happening of any default, of shares of any class) to elect a majority of the board of directors.

(b) Any provision in this Lease Agreement that Lessee shall take any action shall require Lessee to do so at its sole cost and expense.

(c) Lessee agrees to reimburse Lessor upon demand for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and legal expenses) incurred by Lessor hereunder or in connection with the preparation of this Lease Agreement or in enforcing the obligations of Lessee hereunder, which obligation shall survive any termination of this Lease Agreement.

(d) Any notice hereunder shall be in writing and, if mailed, shall be deemed to be given when sent by registered or certified mail, postage prepaid, and addressed: (i) if to Lessee, at its address shown below, (ii) if to Lessor, at 231 South La Salle Street, Chicago, Illinois 60693, or (iii) to either party at such other address as it may, by written notice received by the other, designate as its address for purposes of notice hereunder.

(e) If this Lease Agreement or any provision hereof shall be deemed invalid, illegal, or unenforceable in any respect or in any jurisdiction, the validity, legality and enforceability of this Lease Agreement in other respects and other jurisdictions shall not be in any way impaired or affected thereby. Each of the parties hereto acknowledges that the other party shall not by act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Lease Agreement unless such waiver is in writing, and such writing shall be binding only to the extent therein provided and only upon the party signing it. A waiver on any one occasion shall not be construed as a waiver

on any future occasion. Without limiting the foregoing, Lessor's rights and Lessee's duties shall in no way be affected by Lessor's inspection of, or failure to inspect, the Equipment or any of the documents referred to in this Lease Agreement or by Lessor's failure to inform Lessee of any failure to comply with any of Lessee's obligations under this Lease Agreement. Lessee hereby waives any right to assert that Lessor cannot enforce this Lease Agreement or that this Lease Agreement is invalid because of any failure of Lessor to qualify to do business in any jurisdiction. This Lease Agreement has been delivered for acceptance by Lessor in Chicago, Illinois, shall be governed by the laws of the State of Illinois, shall be binding upon Lessor and Lessee and their respective successors and assigns, and shall inure to the benefit of Lessor and Lessee and the successors and assigns of Lessor.

(f) The section headings in this Lease Agreement are for convenience of reference only and shall not be considered to be a part of this Lease Agreement.

(g) This Lease Agreement (including Riders A and B), together with the Supplement, contains the entire understanding of Lessor and Lessee. Any provisions

set forth in a Rider which are inconsistent with any other provision of this Lease Agreement shall supersede such other provisions to the extent of such inconsistency.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

DETROIT, TOLEDO AND IRONTON  
RAILROAD COMPANY (Lessee)

Address:

1 Park Lane Boulevard  
Dearborn, Michigan 48126

By *K. P. Shoemaker*  
Title: President K. P. Shoemaker

(CORPORATE SEAL)

Attest:

*R. C. Courtney*  
Secretary  
R. C. Courtney, Vice President-Finance

CONTINENTAL ILLINOIS LEASING  
CORPORATION (Lessor)

(CORPORATE SEAL)

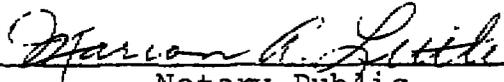
Attest:

*Kenneth V. Halpern*  
Assistant Secretary

By *Joe M. Nachter*  
Title: ~~Vice President~~ Joe M. Nachter  
~~Executive Vice President~~

STATE OF MICHIGAN )  
 ) SS.  
COUNTY OF WAYNE )

On this 5th day of December, 1973, before me personally appeared K. P. Shoemaker, to me personally known, who being by me duly sworn, says that he is the President of DETROIT, TOLEDO & IRONTON 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.

  
\_\_\_\_\_  
Notary Public

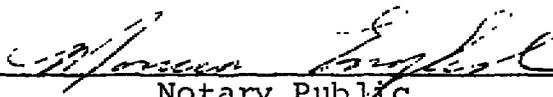
(SEAL)

My Commission Expires:

MARION A. LITTLE, NOTARY PUBLIC, WAYNE COUNTY, MICH.  
MY COMMISSION EXPIRES APRIL 5, 1976

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF C O O K )

On this <sup>4</sup> day of ~~December~~ <sup>December</sup>, 1973, before me personally appeared Joe M. Nachbin, to me personally known, who being by me duly sworn, says that he is a ~~Vice~~ <sup>Vice</sup> President of CONTINENTAL ILLINOIS LEASING CORPORATION, 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.

  
\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Expires:

MY COMMISSION EXPIRES MARCH 10, 1975

RIDER A

PURCHASE OPTION  
(FAIR MARKET VALUE)

Anything in Sections 6(a) and 11 of the Lease to the contrary notwithstanding, Lessee shall have an option (the "Purchase Option") to purchase for cash the Equipment described in the Supplement to the Lease upon the last business day on or prior to the expiration of the lease term specified therefor in the Supplement provided no event of default or event which might mature into an event of default has occurred and is then continuing.

If Lessee desires to exercise the Purchase Option, it shall give to Lessor written notice of its election to purchase at least 90 days (and not more than 180 days) before the expiration of such lease term, stating Lessee's opinion as to the fair market value of the Equipment, and upon expiration of such lease term, Lessee shall purchase the Equipment and shall pay to Lessor in immediately available funds the purchase price for the Equipment, determined as hereinafter provided. The purchase price of the Equipment shall be the fair market value thereof as of the date of purchase. If Lessee and Lessor are unable to agree upon the

fair market value of the Equipment within 30 days after receipt by Lessor of such notice, such fair market value shall be determined by an independent appraiser selected by mutual agreement of Lessor and Lessee. The fee of such appraiser shall be paid by Lessee. Upon payment by Lessee to Lessor of the purchase price for the Equipment at such expiration, and upon payment by Lessee of all rent and any other amounts owing to Lessor under the Lease and the Supplement, Lessor shall transfer to Lessee, without any representation or warranty of any kind, express or implied, whatever title to such Equipment Lessor may have.

Lessor: CONTINENTAL ILLINOIS LEASING CORPORATION (Initials: MMW)

Lessee: DETROIT, TOLEDO AND IRONTON RAILROAD COMPANY (Initials: WJL)

RIDER B

RENEWAL OPTION  
(FAIR MARKET RENTAL VALUE)

Lessee shall have the option to renew for three (3) additional renewal terms ("renewal terms") of twelve (12) months each the lease term of the Equipment described in the Supplement to the Lease provided no event of default or event which might mature into an event of default has occurred and is then continuing immediately prior to the commencement of the renewal term being then elected by Lessee. If Lessee desires to exercise any such option to renew, it shall give Lessor written notice of its election to renew at least 90 days (and not more than 180 days) prior to the commencement of the renewal term then being elected stating Lessee's opinion as to the fair market rental value for the Equipment during such renewal term, and upon the expiration of the then current term the lease of such Equipment shall be renewed for such renewal term at the fair market rental value as hereinafter provided. A determination shall be made of the fair market rental value of the Equipment as of the date of the expiration of such current term. If Lessee and Lessor are unable to agree upon such fair market rental value within 30 days after receipt by Lessor of such notice, such fair

market rental value shall be determined by an independent appraiser selected by mutual agreement of Lessor and Lessee. The fee of such appraiser shall be paid by Lessee. All of the provisions of the Lease and the Supplement shall be applicable during any such renewal term except for the amount of each installment of rent which shall be as hereinabove provided. "Lease term" as used in the Lease and the Supplement shall, except where the context otherwise requires, be deemed to include any such renewal term.

Lessor: CONTINENTAL ILLINOIS LEASING CORPORATION (Initials: MMW)

Lessee: DETROIT, TOLEDO AND IRONTON RAILROAD COMPANY (Initials: TRC)

~~EXHIBIT A~~ *now (Rk)*

Re: Lease Agreement  
dated as of November 15,  
1973

Supplement No. 1

#### LEASE TERM

The term of lease of each unit of Equipment described on Schedule I hereto under the heading "Description of Equipment" shall commence on the date of delivery thereof to Lessee and shall end fifteen (15) years after the date (the "Commencement Date") which shall be the earlier of (i) the date as of which all units of said Equipment there described (the "Equipment") shall have been accepted by Lessee, or (ii) February 28, 1974.

#### PAYMENTS FOR EQUIPMENT

Lessor shall from time to time on or before the Commencement Date make such payment or payments to manufacturers, vendors or others for or on account of the acquisition and delivery of a unit or units of Equipment as may be requested at such time or times by Lessee under an Acceptance Certificate in the form of Schedule III hereto executed and delivered by Lessee to Lessor, each of which Acceptance Certificates shall be accompanied by appropriate invoices (in quadruplicate) to Lessor of such manufacturer, vendor or other party describing

the unit or units of Equipment for which such payment is requested; provided, however, that the aggregate amount of such payments which Lessor shall be obligated to make under this Supplement shall not exceed \$5,000,000. Lessee agrees to pay all amounts, if any, in excess of said amount specified in the preceding sentence as may be incurred in connection with the acquisition and delivery of Equipment. Lessee shall not, by reason of any payment by it for the acquisition and delivery of or otherwise with respect to Equipment, acquire any right, title or interest in or to any units of Equipment.

#### ACQUISITION COST

The "Acquisition Cost" of each unit of Equipment shall be the cost to Lessor of the acquisition and delivery of such unit. Notwithstanding Section 9 of the Lease (as hereinafter defined), if Lessor elects to pay specifically disclosed sales or use taxes with respect to any unit of Equipment (or if any payment of such taxes by Lessor is, with Lessor's express consent, included in the Acquisition Cost of any such unit), the amount of such payment shall not be subject to the provisions of said Section 9. Lessor shall advise Lessee of the aggregate amount of Acquisition Cost for all units of Equipment within a reasonable time after it is finally determined by Lessor.

#### ACCEPTANCE OF EQUIPMENT

Lessee agrees to execute and deliver to Lessor an Acceptance Certificate in the form of Schedule III hereto upon each acceptance of units of the Equipment. Acceptance of any units of the Equipment by Lessee shall constitute Lessee's acknowledgment that such units of the Equipment are in good order and condition; are of the manufacture, design and capacity selected by Lessee; and are suitable for Lessee's purposes. Execution of an Acceptance Certificate shall also constitute acceptance of the units of the Equipment covered thereby by Lessee as Lessor's agent.

#### RENT

The first installment of rent shall be payable on the Commencement Date. Subsequent installments of rent shall be payable on each successive quarterly anniversary of the Commencement Date. Rent shall be payable in 60 installments, each of which shall be in an amount equal to the percentage of the aggregate Acquisition Cost of all Equipment set forth on Schedule IV hereto opposite the prime commercial rate of Continental Illinois National Bank and Trust Company of Chicago (the "Prime Rate") which was in effect on the fifteenth day prior to the rent payment date for such quarter, provided that in no event (other than as provided in the second

proviso in this sentence) shall such rent payments be more than 2.9205% or less than 2.3010% of such Acquisition Cost; further provided, the first such installment shall include, in addition to the amount hereinabove provided a further sum equal to 1% per annum over the Prime Rate from time to time in effect of any part of the Acquisition Cost paid by Lessor prior to the Commencement Date computed from the respective dates so paid to the date of payment of the first installment of rent. All rent and other amounts due from Lessee to Lessor shall be paid to Lessor at its office at 231 South LaSalle Street, Chicago, Illinois 60693 or at such other place as Lessor shall specify in writing.

#### STIPULATED LOSS VALUE

The Stipulated Loss Value of each unit of Equipment shall be determined in accordance with Schedule II hereto.

#### DEPRECIATION

Lessee represents that the Acquisition Cost of each unit of Equipment may be depreciated over a period of 12 years (the "Depreciable Life") to a net salvage value (the "Net Salvage Value") of 5% of such Acquisition Cost.

#### CONDITIONS TO LESSOR'S OBLIGATION

Lessor shall not be obligated to make payment for any unit of Equipment under this Supplement unless at the date such payment is requested by Lessee: (a) All of Lessee's representations

and warranties in Section 5 of the Lease and in this Supplement shall be true and correct as though made as of such date; (b) No litigation or governmental proceedings shall be threatened or pending against Lessee or any subsidiary (excluding The Ann Arbor Railroad Company) which in Lessor's opinion may be to a material extent adversely affect the financial condition or continued operation of Lessee and its subsidiaries on a consolidated basis; (c) No event of default, or event which might mature into an event of default, shall have occurred or be continuing; (d) Lessee shall have furnished in form and substance satisfactory to Lessor: (i) resolutions of the Board of Directors of Lessee, certified by its Secretary or an Assistant Secretary, authorizing the lease of such Equipment hereunder and the execution, delivery and performance of the Lease and this Supplement, (ii) evidence of compliance with the insurance provisions of Section 8 of the Lease, and (iii) a favorable opinion of counsel regarding the matters set forth in paragraphs (a) through (d) and (f) and (g) (to the knowledge of such counsel) of Section 5 of the Lease and further stating that this Lease Agreement and the Supplement have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and that such filing and recording will protect Lessor's interests in and to the units and no filing or recording (or giving of notice) with any other

federal, state or local government is necessary in order to protect the interests of Lessor in and to the units.

This Supplement is executed and delivered in accordance with the above-referenced Lease Agreement (the "Lease") between Lessee and Lessor, and this Supplement (including the Schedules hereto) hereby becomes a part of the Lease. Terms used in this Supplement which are defined in the Lease shall have the respective meanings therein given unless specifically defined in this Supplement or the context of this Supplement otherwise requires.

This Supplement is delivered at Chicago, Illinois as of November 15, 1973.

DETROIT, TOLEDO AND IRONTON  
RAILROAD COMPANY (Lessee)

Address:

1 Park Lane Boulevard  
Dearborn, Michigan 48126

By *K. P. Shoemaker*  
Title: President K. P. Shoemaker

(CORPORATE SEAL)

Attest:

*R. C. Courtney*  
~~Secretary~~  
R. C. Courtney, Vice President-Finance

CONTINENTAL ILLINOIS LEASING  
CORPORATION (Lessor)

(CORPORATE SEAL)

Attest:

*John V. Sullivan*  
Assistant Secretary

By *Joe M. Nachbin*  
Title: ~~Vice President~~ Joe M. Nachbin  
Executive Vice President

STATE OF MICHIGAN )  
 ) SS.  
COUNTY OF WAYNE )

On this 5th day of December, 1973, before me personally appeared K. P. Shoemaker, to me personally known, who being by me duly sworn, says that he is the President of DETROIT, TOLEDO & IRONTON 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.

*Marion A. Little*  
\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Expires: MARION A. LITTLE, Notary Public, Wayne County, Michigan  
My Commission Expires April 3, 1978

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

On this 14 day of December, 1973, before me personally appeared Joe M. Nachbin, to me personally known, who being by me duly sworn, says that he is a Vice President of CONTINENTAL ILLINOIS LEASING CORPORATION, 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.

*Thomas English*  
\_\_\_\_\_  
Notary Public

(SEAL)

My Commission Expires:  
MY COMMISSION EXPIRES MARCH 10, 1978

SCHEDULE I

Re: Lease Agreement  
dated as of November  
15, 1973

Supplement No. 1

DESCRIPTION OF EQUIPMENT

<u>Manufacturer</u>	<u>Type</u>	<u>Specifications</u>	<u>Manufacturer's Plant</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Inclusive)</u>	<u>Unit Price</u>	<u>Total Price</u>	<u>Time and Place of Delivery</u>
Thrall Manufacturing Co.	100-ton 86'6" high cube box cars	latest General Specifications for Ford Motor Company Service (end of car cushion type) and Thrall Specification BX-C-100-86-111 and its revisions. (18-SP)	Chicago Heights, Illinois	135	DT&I 27,000 to and including 27,134	\$35,048.46	\$4,731,542.10	December, 1973 through February 28, 1974 at Chicago Heights, Illinois

SCHEDULE II

Re: Lease Agreement  
dated as of November  
15, 1973

Supplement No. 1

STIPULATED LOSS VALUE

"Stipulated Loss Value" of any unit of Equipment covered by Supplement No. I as of any particular date shall mean the product derived from multiplying (i) the percentage figure opposite the notation for the appropriate time period as set forth in the table appearing below by (ii) the Acquisition Cost of such unit. Stipulated Loss Value does not include any amounts for which Lessor may be entitled to indemnification under Sections 9 and 10(a) of the Lease.

STIPULATED LOSS VALUE TABLE

		<u>%</u>
On or before Rent Payment Date No. . . . .	1	100.0000
Thereafter, But On or Before Rent Payment Date No. . . . .	2	100.3609
Thereafter, But On or Before Rent Payment Date No. . . . .	3	100.4858
Thereafter, But on or Before Rent Payment Date No. . . . .	4	100.5813
Thereafter, But on or Before Rent Payment Date No. . . . .	5	100.6469

Thereafter, But on or Before Rent		
Payment Date No. . . . .	6	100.6822
Thereafter, But on or Before Rent		
Payment Date No. . . . .	7	100.6606
Thereafter, But on or Before Rent		
Payment Date No. . . . .	8	100.5813
Thereafter, But on or Before Rent		
Payment Date No. . . . .	9	100.4434
Thereafter, But on or Before Rent		
Payment Date No. . . . .	10	100.2460
Thereafter, But on or Before Rent		
Payment Date No. . . . .	11	99.9959
Thereafter, But on or Before Rent		
Payment Date No. . . . .	12	99.6922
Thereafter, But on or Before Rent		
Payment Date No. . . . .	13	99.3342
Thereafter, But on or Before Rent		
Payment Date No. . . . .	14	94.2468
Thereafter, But on or Before Rent		
Payment Date No. . . . .	15	93.7824
Thereafter, But on or Before Rent		
Payment Date No. . . . .	16	93.2659
Thereafter, But on or Before Rent		
Payment Date No. . . . .	17	92.6966
Thereafter, But on or Before Rent		
Payment Date No. . . . .	18	92.0738
Thereafter, But on or Before Rent		
Payment Date No. . . . .	19	91.4012
Thereafter, But on or Before Rent		
Payment Date No. . . . .	20	90.6783

Thereafter, But on or Before Rent		
Payment Date No. . . . .	21	89.9043
Thereafter, But on or Before Rent		
Payment Date No. . . . .	22	84.4041
Thereafter, But on or Before Rent		
Payment Date No. . . . .	23	83.5302
Thereafter, But on or Before Rent		
Payment Date No. . . . .	24	82.6076
Thereafter, But on or Before Rent		
Payment Date No. . . . .	25	81.6356
Thereafter, But on or Before Rent		
Payment Date No. . . . .	26	80.6135
Thereafter, But on or Before Rent		
Payment Date No. . . . .	27	79.5452
Thereafter, But on or Before Rent		
Payment Date No. . . . .	28	78.4301
Thereafter, But on or Before Rent		
Payment Date No. . . . .	29	77.2674
Thereafter, But on or Before Rent		
Payment Date No. . . . .	30	71.3824
Thereafter, But on or Before Rent		
Payment Date No. . . . .	31	70.1273
Thereafter, But on or Before Rent		
Payment Date No. . . . .	32	68.8272
Thereafter, But on or Before Rent		
Payment Date No. . . . .	33	67.4817
Thereafter, But on or Before Rent		
Payment Date No. . . . .	34	66.0898
Thereafter, But on or Before Rent		
Payment Date No. . . . .	35	64.6558

Thereafter, But on or Before Rent		
Payment Date No. . . . .	36	63.1790
Thereafter, But on or Before Rent		
Payment Date No. . . . .	37	61.6586
Thereafter, But on or Before Rent		
Payment Date No. . . . .	38	60.0942
Thereafter, But on or Before Rent		
Payment Date No. . . . .	39	58.4897
Thereafter, But on or Before Rent		
Payment Date No. . . . .	40	56.8446
Thereafter, But on or Before Rent		
Payment Date No. . . . .	41	55.1583
Thereafter, But on or Before Rent		
Payment Date No. . . . .	42	53.4300
Thereafter, But on or Before Rent		
Payment Date No. . . . .	43	51.6734
Thereafter, But on or Before Rent		
Payment Date No. . . . .	44	49.8878
Thereafter, But on or Before Rent		
Payment Date No. . . . .	45	48.0730
Thereafter, But on or Before Rent		
Payment Date No. . . . .	46	46.2284
Thereafter, But on or Before Rent		
Payment Date No. . . . .	47	44.3561
Thereafter, But on or Before Rent		
Payment Date No. . . . .	48	42.4558
Thereafter, But on or Before Rent		
Payment Date No. . . . .	49	40.5271
Thereafter, But on or Before Rent		
Payment Date No. . . . .	50	38.5695

Thereafter, But on or Before Rent		
Payment Date No. . . . .	51	36.5825
Thereafter, But on or Before Rent		
Payment Date No. . . . .	52	34.5658
Thereafter, But on or Before Rent		
Payment Date No. . . . .	53	32.5188
Thereafter, But on or Before Rent		
Payment Date No. . . . .	54	30.4412
Thereafter, But on or Before Rent		
Payment Date No. . . . .	55	28.3325
Thereafter, But on or Before Rent		
Payment Date No. . . . .	56	26.1922
Thereafter, But on or Before Rent		
Payment Date No. . . . .	57	24.0198
Thereafter, But on or Before Rent		
Payment Date No. . . . .	58	21.8149
Thereafter, But on or Before Rent		
Payment Date No. . . . .	59	19.5770
Thereafter, But on or Before Rent		
Payment Date No. . . . .	60	17.3055
Thereafter . . . . .		15.0000

SCHEDULE III

Re: Lease Agreement  
dated as of November 15, 1973  
Supplement No. 1

ACCEPTANCE CERTIFICATE

Gentlemen:

As Lessee under the above-referenced Lease Agreement and Supplement, we hereby request you to pay the following invoices to the vendors indicated for the acquisition and delivery of the property described in such invoices:

<u>Vendor</u>	<u>Invoice No.</u>	<u>Amount</u>
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Thrall Manufacturing  
Company

We hereby (1) represent that all of our representations and warranties set forth in Section 5 of the above-referenced

Lease Agreement and in the Supplement are true and correct as of the date hereof as though made on this date, (2) accept the property described in said invoices for lease under said Lease Agreement and (3) evidence the lease of such property.

Execution and delivery of this Acceptance Certificate also constitutes acceptance by the undersigned as your agent of the above-mentioned Equipment from the vendor referred to therein.

DETROIT, TOLEDO AND IRONTON  
RAILROAD COMPANY (Lessee)

Dated: ~~Dec. 5~~, 19~~73~~

By ~~[Signature]~~ Rec

Its ~~[Signature]~~

Accepted:

CONTINENTAL ILLINOIS LEASING CORPORATION

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_, 19\_\_

Schedule IV

Re: Lease Agreement  
dated as of November 15,  
1973  
Supplement No. 1

Lease Payment Schedule

If Prime Rate  
Per Annum  
is following %

Quarterly Rent  
Payment is following  
% of Acquisition Cost

9.75	2.9205
9.50	2.8768
9.25	2.8334
9.00	2.7904
8.75	2.7477
8.50	2.7053
8.25	2.6633
8.00	2.6216
7.75	2.5803
7.50	2.5393
7.25	2.4987
7.00	2.4585
6.75	2.4185
6.50	2.3790
6.25	2.3398
6.00	2.3010