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A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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Date AUG 31 1988

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ICC Washington, D.C. August 30, 1988

RECORDATION NO. **1 5798**
FINE 1988

AUG 31 1988 - 3 03 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. **1 5798**
FINE 1988

AUG 31 1988 - 3 03 PM

INTERSTATE COMMERCE COMMISSION

100 OFFICE OF
THE SECRETARY
AUG 31 2 55 PM '88
NOTOR OPERATING UNIT

VIA FEDERAL EXPRESS

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are one original executed copy and four copies of a Conditional Sale Agreement, dated as of July 7, 1988 (a primary document as defined in the Commission's Rules for the Recordation of Documents).

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

<u>Vendee</u>	Kiamichi Railroad Company, Inc. 109 E. Jackson Street Hugo, Oklahoma 74743
<u>Vendor</u>	MLB Consulting Corp. 99 Cambridge Street Burlington, Massachusetts 01803

A description of the railroad equipment covered by the enclosed document is set forth on Schedule A to the Conditional Sale Agreement.

Following is a short summary of the enclosed primary document:

Ms. Noreta R. McGee
August 30, 1988
Page 2

Conditional Sale Agreement between Kiamichi Railroad Company, Inc. (Vendee) and MLB Consulting Corp. (Vendor) dated as of July 7, 1988 and covering six locomotives owned by MLB Consulting Corp.

I also enclose for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) one original executed copy and four copies of an Agreement and Assignment, dated as of July 7, 1988, relating to the Conditional Sale Agreement described above.

The names and addresses of the parties to the enclosed Agreement and Assignment are:

<u>Vendee</u>	Kiamichi Railroad Company, Inc. 109 E. Jackson Street Hugo, Oklahoma 74743
<u>Vendor</u>	MLB Consulting Corp. 99 Cambridge Street Burlington, Massachusetts 01803
<u>Assignee</u>	Irving Trust Company One Wall Street New York, New York 10015

Following is a short summary of the enclosed Agreement and Assignment:

Agreement and Assignment among MLB Consulting Corp. (Vendor), Irving Trust Company (Assignee), and Kiamichi Railroad Company, Inc. (Vendee) relating to the assignment of rights under the Conditional Sale Agreement described below.

The primary document to which the Agreement and Assignment relates is the Conditional Sale Agreement described above. The equipment and identifying numbers are set forth on Schedule A to the Conditional Sale Agreement.

Kindly return four stamped copies of each of the enclosed Conditional Sale Agreement and Agreement and Assignment in the envelope provided to T. Stephen Dyer, Esq., Ross & Hardies, 150 North Michigan Avenue, Chicago, Illinois 60601.

Ms. Noreta R. McGee
August 30, 1988
Page 3

Enclosed is a check in the amount of \$13.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee for the Conditional Sale Agreement and the Agreement and Assignment.

Very truly yours,


T. Stephen Dyer

TSD/lf
Encl.

TSD-IT-10
MOE/GJH

orig. exec. doc.

1 5798
REGISTRATION NO. _____ FROM FILE

AUG 31 1988 - 3 25 PM
INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT

Dated as of July 7, 1988

between

MLB CONSULTING CORP.

and

KIAMICHI RAILROAD COMPANY, INC.

CONDITIONAL SALE AGREEMENT

CONDITIONAL SALE AGREEMENT dated as of July 7, 1988, between MLB CONSULTING CORP., a Delaware corporation (the "Vendor"), and KIAMICHI RAILROAD COMPANY, INC., a Delaware corporation ("Kiamichi").

WHEREAS, the Vendor has agreed to sell to Kiamichi, and Kiamichi has agreed to purchase, three (3) EMD GP-38 locomotives (the "Series A Units") and three (3) EMD GP-9 locomotives (the "Series B Units," with each of the Series A Units and the Series B Units referred to individually as a "Unit," and with the Series A Units and the Series B Units referred to collectively herein as the "Units"), all as more specifically described in Schedule A hereto;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises, covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1. Sale. Pursuant to this Agreement, the Vendor hereby agrees to sell the Units conditionally to Kiamichi, and Kiamichi hereby agrees to purchase from the Vendor and pay for the Units as hereinafter provided.

ARTICLE 2. Delivery. The Vendor has previously delivered the Units to Kiamichi. Kiamichi accepts each Unit described in Schedule A hereto "AS IS" and "WHERE IS" and, with-

out limiting the foregoing, THE VENDOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE UNITS, THE MERCHANTABILITY OR FITNESS FOR USE OR ANY PARTICULAR PURPOSE OF THE UNITS, THE DESIGN, CONDITION OF, OR THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN THE UNITS, OR THE INFRINGEMENT OF ANY PATENT, TRADEMARK OR OTHER RIGHTS IN RESPECT OF THE UNITS.

Kiamichi hereby assumes the responsibility and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any Unit. Kiamichi agrees that the Vendor shall not be liable to Kiamichi for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by any Unit or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, or any interruption or loss of service or use thereof, or any loss of business, or any damage whatsoever and howsoever caused.

ARTICLE 3. Purchase Price and Payment. Kiamichi hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby agrees to pay by wire transfer or other payment agreeable to the parties to the Vendor at such place as the Vendor may designate, the Total Purchase Price of the Units (as set forth in Schedule B hereto), which amount is hereinafter referred to as the "CSA Indebtedness." The CSA Indebtedness shall be payable as follows:

- (a) \$137,500 on the date hereof; and
- (b) installment payments on the dates and in the amounts set forth on Schedule B.

Interest shall accrue and be payable on demand on any overdue installment payments at the rate of interest equal to the greater of 13% per annum or 125% of the rate per annum which Irving Trust Company, New York, New York publicly announces from time to time as its prime rate as in effect from time to time, but in no event greater than 18% per annum.

The Vendor has previously financed its purchase of the Units (and one additional EMD GP-38 locomotive) through three separate loans, under which the Vendor agreed to repay the debts incurred to finance its purchases of the Units (and one additional EMD GP-38 locomotive) by making equal monthly payments of principal and interest in amounts sufficient to repay each loan in its entirety on the fourth anniversary date thereof with respect to the EMD GP-38 Units and on the third anniversary date thereof with respect to the EMD GP-9 Units. The parties hereto have also previously entered into a certain Locomotive Lease Agreement (the "Lease") for the Units (and one additional EMD GP-38 locomotive), dated as of June 19, 1987. Payments made by Kiamichi under the Lease have been substantially identical to the amounts which the Vendor has paid on the loans described above.

The parties to this Agreement contemplate that payment of the CSA Indebtedness will be made in the same amounts and on the same dates as payments would have been made by Kiamichi to the Vendor under the Lease and that for the purpose of deter-

mining the amounts to be paid by Kiamichi under this Agreement, the CSA Indebtedness shall be deemed to have borne interest as follows:

- (a) with respect to the two GP-38 EMD locomotives marked MLB/3801 and MLB/3802 (the "3801-3802 Units"), constituting a portion of the Units, the CSA Indebtedness shall be deemed to have borne interest from July 13, 1987 to and including the date hereof at the rate of 10.37 percent per annum as if the indebtedness were outstanding from July 13, 1987 to and including the date hereof;
- (b) with respect to the three GP-9 EMD locomotives marked MLB/901, MLB/902 and MLB/903 (the "GP-9 Units"), constituting a portion of the Units, the CSA Indebtedness shall be deemed to have borne interest from July 13, 1987 to and including the date hereof at the rate of 10.15 percent per annum as if the CSA Indebtedness were outstanding from July 13, 1987 to and including the date hereof; and
- (c) with respect to the remaining GP-38 EMD locomotive marked MLB/3803 (the "3803 Unit"), constituting a portion of the Units, the CSA Indebtedness shall be deemed to have borne interest from July 24, 1987 to and including the date hereof at the rate of 10.44 percent per annum as if the CSA Indebtedness were outstanding from July 24, 1987 to and including the date hereof.

Interest shall be deemed to have accrued on the CSA Indebtedness from the date of the last payment by Kiamichi under the Lease (and Kiamichi shall receive credit, against the interest which is deemed to have accrued, for the payments previously made under the Lease), and the unpaid portion of the CSA Indebtedness outstanding from time to time after the date hereof shall bear interest as follows:

- (a) with respect to the portion of the CSA Indebtedness relating to the 3801-3802 Units, at the rate of 10.37 percent per annum until paid in full;
- (b) with respect to the portion of the CSA Indebtedness relating to the GP-9 Units, at the rate of 10.15 percent per annum until paid in full; and
- (c) with respect to the portion of the CSA Indebtedness relating to the 3803 Unit, at the rate of 10.44 percent per annum until paid in full.

The CSA Indebtedness shall be payable on the dates and in the amounts set forth on Schedule B. The CSA Indebtedness will be payable without setoff, counterclaim or other deduction of any kind. All interest under this Agreement shall be calculated on the basis of a 360 day year of twelve 30 day months.

ARTICLE 4. Taxes; Expenses. All payments to be made by Kiamichi hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state, federal or foreign taxes [other than income, gross receipts (except gross receipts taxes in the nature of or in lieu of sales or use taxes), excess profits and similar taxes] or license fees, assessments, charges, fines or penalties incurred, levied or imposed upon or in connection with or measured by, this Agreement or any sale, use, payment, shipment, delivery or transfer of title under the terms hereof after the date of this Agreement and not otherwise the obligation of Kiamichi (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called "Impositions"), all of which Impositions

Kiamichi assumes and agrees to pay on demand. Kiamichi will also pay promptly all Impositions which may be imposed upon the Units or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor solely by reason of its interest therein and will keep at all times all and every part of the Units free and clear of all Impositions which might in any way affect the security interest of the Vendor or result in a lien upon any of the Units or any part thereof; provided, however, that Kiamichi shall be under no obligation to pay any Impositions of any kind as long as it notifies the Vendor of the existence of the Imposition and is contesting in good faith and by appropriate legal proceedings such Imposition or Impositions and the nonpayment thereof does not, in the opinion of the Vendor in its sole discretion, adversely affect the interest or rights of the Vendor in or to the Units or otherwise under this Agreement. If any such Impositions (i) shall have been charged or levied against the Vendor directly, or (ii) shall have become secured by a lien on a Unit or Units (or any part thereof), and in either case paid by the Vendor, Kiamichi shall reimburse the Vendor upon presentation of an invoice therefore, and any amounts so paid by the Vendor shall be secured by and under this Agreement and shall bear interest as provided in Article 3 hereof until paid in full; provided, however, that Kiamichi shall not be obligated to reimburse the Vendor for any Impositions so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Vendor, which counsel may be an

employee of Vendor), or the Units, a Unit or any part thereof shall have become encumbered by a lien securing such Imposition, or Kiamichi shall have approved the payment thereof.

ARTICLE 5. Purchase Money Security Interest in the Units. The Vendor shall and hereby does retain a purchase money security interest in the Units until Kiamichi shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Units to and the possession and use thereof by Kiamichi as provided in this Agreement. Any and all additions to the Units [other than such additions (the cost of which was paid by Kiamichi) not required for the normal use of the Units and as are readily removable without causing damage to the Units] and any and all substitutions or replacements of the Units and of parts thereof and additions thereto shall constitute accessions to the Units and shall be subject to all the terms and conditions of this Agreement and included in the term "Units" as used in this Agreement.

Kiamichi hereby grants a security interest in any and all the payments, rentals, and other charges payable to it for the use of the Units by persons other than Kiamichi, which payments, rentals and other charges are hereby assigned to the Vendor; provided, however, that, prior to the occurrence of an event of default hereunder, the aforesaid amounts may be paid or remitted directly to Kiamichi for its use; and provided further that, upon the occurrence of an event of default hereunder, any

claims or right of Kiamichi hereunder to any of the aforesaid payments, rentals and other charges shall be automatically revoked and the same shall be paid or remitted directly to the Vendor and may be applied by the Vendor against the CSA Indebtedness hereunder or any other amount owing by Kiamichi to the Vendor pursuant to this Agreement.

When and only when the CSA Indebtedness, together with interest and all other payments as herein provided, shall have been paid, and all of Kiamichi's obligations herein contained shall have been performed by Kiamichi, absolute right to the possession of and title to the Units shall pass to and vest in Kiamichi without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by Kiamichi at that time, will (a) execute a bill or bills of sale for the Units transferring and releasing its interest therein to Kiamichi, or upon its order, free of all claims, liens, security interests and other encumbrances created or retained hereby and deliver such bill or bills of sale to Kiamichi, and (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the release of the security interest of the Vendor in the Units. Kiamichi hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instru-

ments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after receipt of written demand from Kiamichi.

ARTICLE 6. Marking of the Units. Kiamichi will cause each Unit to be kept numbered with its identifying number as set forth in Schedule A hereto, or in the case of Units not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Units, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION," or other appropriate markings approved by the Vendor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's title to and property interest in the Units and its rights under this Agreement. Kiamichi will cause such markings to be placed on each Unit prior to the date hereof or, if that is not feasible, within a reasonable time thereafter, and will replace promptly any such markings which may be removed, defaced, obliterated or destroyed. Kiamichi will not change the reporting marks or numbers of any Unit, except in accordance with a statement of new number or numbers to be substituted therefore, which statement shall have previously been filed with the Vendor

and in all public offices where this Agreement or a financing statement in respect hereof shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, Kiamichi will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that Kiamichi may cause the Units to be lettered with the names or initials or other insignia of Kiamichi, its affiliates or its lessees.

ARTICLE 7. Casualty Occurrences; Insurance. In the event that any Unit shall be worn out, lost, stolen, destroyed, irreparably damaged or otherwise rendered permanently unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any such occurrence being hereinafter called a "Casualty Occurrence"), Kiamichi shall promptly and fully inform the Vendor in regard thereto (but no later than 30 days after it has knowledge of such Casualty Occurrence). Kiamichi, within 30 days after it has knowledge of such event, shall promptly pay to the Vendor a sum equal to the aggregate Casualty Value of such Units as of the date of the Casualty Occurrence and shall file with the Vendor a certificate of an officer of Kiamichi setting forth the Casualty Value of each Unit suffering a Casualty Occurrence.

The Casualty Value of each Unit shall be deemed to be that amount set forth on Schedule C hereto as of the date of the Casualty Occurrence.

Upon payment by Kiamichi to the Vendor of the Casualty Value of any Unit having suffered a Casualty Occurrence, absolute right to the possession of, title to, and property in, such Unit shall pass to and vest in Kiamichi, without further transfer or action on the part of the Vendor, and in the manner contemplated by the third paragraph of Article 5.

Kiamichi will at all times prior to the payment in full of the CSA Indebtedness, together with interest thereon, and all other payments required hereby, at its own expense, cause to be carried and maintained insurance in respect of the Units at the time subject hereto in amounts and against risks customarily insured against by railroad companies on similar equipment, and in any event in amounts and against risks comparable to those insured against by Kiamichi on similar equipment owned by it. In addition, Kiamichi shall maintain liability insurance with respect to the Units in amounts customarily insured against by railroad companies. Kiamichi agrees to obtain and maintain all such insurance with third party, unaffiliated insurers reasonably satisfactory to the Vendor.

Except for liability insurance in respect of which the Vendor shall be named as a co-insured with Kiamichi, all such insurance shall be taken for the benefit of the Vendor, as its interest may appear, and shall name the Vendor as an additional named insured and loss payee and provide that the proceeds of such insurance shall be payable to the Vendor. In addition, all such insurance shall provide for at least thirty (30) days'

written notice to the Vendor prior to the termination, cancellation or modification of said insurance. Kiamichi shall furnish to the Vendor certificates or other satisfactory evidence of the maintenance of the insurance required hereunder.

Insurance proceeds received by the Vendor with respect to any Unit (a) in the case of a Casualty Occurrence, shall be applied by the Vendor towards the satisfaction of Kiamichi's obligation to pay to the Vendor the Casualty Value of such Unit as set forth above or (b) in the case of repairable damage or loss to such Unit not constituting a Casualty Occurrence and for so long as no event of default shall have occurred and be continuing hereunder, will be paid by Vendor to Kiamichi upon receipt by the Vendor of proof of the proper repair of such damage or loss, with all such repairs made within industry standards. Except as provided in the preceding sentence, all insurance proceeds received by the Vendor with respect to any Unit shall be applied by the Vendor in respect of the payment of CSA Indebtedness, accrued and unpaid interest thereon, and other amounts owing to the Vendor hereunder.

ARTICLE 8. Maintenance; Compliance with Laws and Rules. Kiamichi will at all times maintain the Units or cause the Units to be maintained in good order and repair at its own expense.

During the term of this Agreement, Kiamichi will at all times comply in all respects with all laws of the jurisdictions in which its operations involving the Units may extend and with

all lawful rules of any legislative, executive, administrative or judicial body exercising any power of jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of any part on any Unit in its sole discretion, Kiamichi will conform therewith, at its own expense; provided, however, that Kiamichi may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Vendor in its sole discretion, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 9. Reports and Inspections. On or before May 1 in each year, commencing with the year 1989, Kiamichi shall furnish to the Vendor an accurate statement signed by an officer of Kiamichi (a) setting forth as of the preceding December 31 the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Agreement in the case of the first such statement) or that have been withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Vendor may reasonably request and (b) stating that, in the case of all Units repaired or repainted during the period covered by such statement, the numbers and marking required by Article 6 hereof have been preserved or replaced. The Vendor shall have the right, by its agents, to inspect the Units and Kiamichi's records with

respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10. Possession and Use; Classification.

Kiamichi, so long as no event of default shall have occurred under this Agreement and be continuing, shall be entitled to the unrestricted right to the possession and use by Kiamichi of the Units upon any lines of railroad then owned or operated by Kiamichi, either alone or jointly with others and whether under lease or otherwise, or upon the lines of railroad owned or operated by any railroad company controlled by or under common control with Kiamichi over which it has trackage rights, or upon lines of railroad of connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements.

Kiamichi represents, warrants and agrees that the Units are rolling stock equipment or accessories used on such equipment as specified in § 1168 of the Federal Bankruptcy Code.

ARTICLE 11. Prohibition Against Liens. Kiamichi will pay or discharge any and all sums claimed by any party from, through or under Kiamichi or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or in the Units, or any Unit individually; provided, however, that Kiamichi shall be under no obligation to pay or discharge any such claim so long as it is contesting in good faith and by appropriate legal proceedings such claim and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor in or to the Units or other-

wise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Units shall be secured by and under this Agreement and shall bear interest as provided in Article 3 hereof until paid in full.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

Kiamichi shall not, without the prior written consent of the Vendor, assign, transfer, pledge or hypothecate, or grant any security interest in or to, any Unit, any part thereof or any interest therein, whether by operation of law or otherwise.

ARTICLE 12. Kiamichi's Indemnities. Kiamichi agrees to indemnify, protect and hold harmless the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, whether well-founded or otherwise, and expenses in connection therewith, including counsel fees, arising out of (a) retention by the Vendor of a security interest in the Units, (b) the use, possession and operation of the Units by Kiamichi or its lessees and assigns during the period when said security interest remains in the Vendor, (c) any accident in connection with the use, possession or operation of the Units by Kiamichi, its lessees and assigns, resulting in damage to property, death of or injury to any person, or (d) the transfer of said security

interest in the Units by the Vendor pursuant to any of the provisions of this Agreement, except, however, any losses, damages, injuries, liabilities, claims and demands whatsoever arising out of the Vendor's gross negligence or willful misconduct. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner whatsoever.

ARTICLE 13. Assignments. Kiamichi will not sell, assign, transfer or otherwise dispose of its rights under this Agreement without the prior written consent of the Vendor. The Vendor may sell, assign, transfer or otherwise dispose of its rights under this Agreement and any further assignee may sell, assign, transfer or otherwise dispose of its rights under this Agreement without the consent of Kiamichi.

ARTICLE 14. Defaults. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) Kiamichi shall fail to pay in full the CSA Indebtedness or any installment thereof or interest thereon, or any other sum payable by Kiamichi as provided in this Agreement when the same shall be due and payable, whether at the due date thereof, by acceleration, as part of a prepayment or otherwise; or

(b) Kiamichi shall, for more than ten (10) days after the Vendor shall have demanded in writing performance

thereof, fail or refuse to comply with any covenant, agreement, term or provision of this Agreement or of any agreement entered into concurrently herewith relating to the financing of the Units on its part to be kept or performed or to make provision satisfactory to the Vendor for such compliance; or

(c) any representation or warranty on the part of Kiamichi made herein or in any report, certificate, financial or other statement furnished in connection with this Agreement or the transactions contemplated hereby shall prove to have been false or misleading in any material respect when made;

(d) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against Kiamichi and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of Kiamichi under this Agreement shall not have been (and shall continue not to have been) duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within sixty (60) days after the commencement of such proceedings or otherwise in accordance with the provisions of 11 U.S.C. § 1168, or any successor provision, as the same may hereafter be amended; or

(e) any other proceedings shall be commenced by or against Kiamichi for any relief under any bankruptcy or insolvency law, or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of Kiamichi under this Agreement shall not have been (and shall continue not to have been) duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for Kiamichi or for its property in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within sixty (60) days after such proceedings shall have been commenced; or

(f) Kiamichi shall make or allow any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the Units or any Unit; then at any time after the occurrence of such an event of default the Vendor may, upon written notice to Kiamichi and upon compliance with any mandatory legal requirements then in force and applicable to such action by the Vendor, declare (hereinafter called a "Declaration of Default") the entire CSA Indebtedness

then outstanding, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 3 hereof. The Vendor shall thereupon be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the CSA Indebtedness, with interest as aforesaid, and to collect such judgment out of any property of Kiamichi wherever situated. Kiamichi shall promptly notify the Vendor of any event which has come to its attention which constitutes, or which with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

The Vendor may at its election waive any such event of default and its consequences and rescind and annul any Declaration of Default by notice to Kiamichi in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default had been made. Notwithstanding the provisions of this paragraph, it is agreed that time is of the essence of this Agreement and no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 15. Remedies. At any time during the continuance of a Declaration of Default, the Vendor may, subject to compliance with any mandatory legal requirements then in force

and applicable to the action to be taken by the Vendor, take or cause to be taken by its agent or agents immediate possession of the Units, or some portion thereof, without liability to return to Kiamichi any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 15 expressly provided, and may remove the same from possession and use of Kiamichi or any other person and for such purpose may enter upon Kiamichi's premises or any other premises where the Units may be located, without judicial process if this can be done without breach of the peace, and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of Kiamichi.

In case the Vendor shall demand possession of the Units pursuant to this Agreement and shall reasonably designate a point or points upon the premises of Kiamichi for the delivery of the Units to the Vendor, Kiamichi shall, at its own expense, forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads, and all railroads to which the Units, or any of them, have been interchanged, to return the Units so interchanged), cause (a) the Units to be moved to such point or points on its lines as shall be designated by the Vendor and shall there deliver the Units or cause them to be delivered to the Vendor and (b) the Units to be moved to such interchange point or points on its lines as shall be designated by the Vendor upon any sale, lease or other disposal of all or any part of the

Units by the Vendor. At the option of the Vendor, the Vendor may keep the Units on any of the lines or premises of Kiamichi until the Vendor shall have leased, sold or otherwise disposed of the same, and for such purpose Kiamichi agrees to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by the Vendor reasonably convenient to Kiamichi and, to permit inspection of the Units by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Units and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against Kiamichi requiring specific performance hereof. Kiamichi hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any Unit in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Units as hereinbefore in this Article 15 provided) may, at its election and upon such notice as is required by law, retain the Units in satisfaction of the entire CSA Indebtedness and all other amounts secured hereby and make such disposition thereof as the Vendor shall deem fit.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof,

at its election and upon reasonable notice to Kiamichi and to any other persons to whom the law may require notice of the time and place, may sell the Units, or any portion thereof, free from any and all claims of Kiamichi or any other party claiming from, through or under Kiamichi at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine.

Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine. The Vendor or Kiamichi may bid for and become the purchaser of the Units, or any portion thereof, so offered for sale. Kiamichi shall be given written notice of such sale not less than ten days prior thereto, by actual delivery or by telegram or registered mail addressed to Kiamichi as provided in Article 19 hereof. In the event that the Vendor shall be the purchaser of the Units it shall not be accountable to Kiamichi (except to the extent of surplus money received as hereinafter provided in this Article 15), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of the sums due to the Vendor from Kiamichi hereunder.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and

remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to Kiamichi shall not otherwise alter or affect the Vendor's rights or Kiamichi's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect Kiamichi's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, Kiamichi shall pay the amount of such deficiency to the Vendor upon demand, together with interest from the date of such demand specified in Article 3 hereof. If Kiamichi shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against Kiamichi. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor,

such surplus shall be paid to Kiamichi, after the payment of all expenses of the Vendor as provided herein.

Kiamichi will pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

ARTICLE 16. Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by Kiamichi to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, Kiamichi, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Units or any portion thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights under this Agreement and any and all rights of redemption.

ARTICLE 17. Recording. Kiamichi will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission in accordance with 49 U.S.C. 11303 and with all appropriate state and local governmental authorities. Kiamichi will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its interest in the Units and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement. Kiamichi will furnish to the Vendor certificates or other evidence of such filing, registering, depositing and recording reasonably satisfactory to the Vendor.

ARTICLE 18. Article Headings; Effect and Modification of Agreement. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

This Agreement, including the Schedules hereto, exclusively states the rights of the Vendor and Kiamichi with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units including, without limitation, the Lease. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Vendor and Kiamichi.

ARTICLE 19. Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and mailed or telegraphed or delivered:

(a) if to Vendor at its address at:

MLB Consulting Corp.
99 Cambridge Street
Burlington, Mass. 01803
Attention: Richard A. Peters

(b) if to Kiamichi at its address at:

Kiamichi Railroad Company, Inc.
109 E. Jackson Street
Hugo, Oklahoma 74743
Attention: Jack Hadley

All such notices shall be deemed given upon delivery to an officer of the Vendor or Kiamichi, as the case may be, or three days after deposit into the United States mail, certified or registered mail, return receipt requested, postage prepaid and addressed to the address indicated herein for such party or to such other address as such party may designate by notice in writing given in the manner specified in this Article 19.

ARTICLE 20. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York, without regard to its conflicts of law doctrine; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. 11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be con-

ferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

ARTICLE 21. Execution. This Agreement may be executed in any number of counterparts, such counterparts together constituting but one and the same contract.

ARTICLE 22. Further Assurances. Kiamichi agrees from time to time throughout the term of this Agreement to execute such additional documents and to perform such further acts as may be reasonably requested by the Vendor in order to carry out and effectuate the purposes and intents of this Agreement.

ARTICLE 23. Payments. All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

ARTICLE 24. Prepayment. Kiamichi may at any time prepay the CSA Indebtedness, in whole, together with all accrued and unpaid interest thereon to and including the date of such prepayment, without premium or penalty of any kind. Upon a Casualty Occurrence affecting all of the Units or upon sale of all of the Units, Kiamichi must prepay the CSA Indebtedness, in whole, together with all accrued and unpaid interest thereon to and including the date of such prepayment, without premium or penalty of any kind; provided, however, that in the event of a Casualty Occurrence, Kiamichi may credit any amount paid to the Vendor in respect of the Casualty Occurrence against its obliga-

tion, under this Article 24 to pay the CSA Indebtedness plus accrued interest. In the event of a Casualty Occurrence affecting less than all of the Units or a sale of less than all of the Units, Kiamichi must prepay an amount equal to the portion of the CSA Indebtedness represented by the Unit or Units sold by Kiamichi or affected by the Casualty Occurrence, as the case may be, together with all accrued and unpaid interest on that portion of the CSA Indebtedness to and including the date of prepayment, without premium or penalty of any kind.

ARTICLE 25. Lease. In consideration of entering into this Agreement, the Vendor and Kiamichi hereby terminate the Locomotive Lease Agreement, dated as of June 19, 1987, by and between the Vendor and Kiamichi.

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 their officers or other persons, thereunto duly authorized, and their respective

corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

[Corporate Seal]

MLB CONSULTING CORP.

Attest:

By:


Richard A. Peters, President

[Corporate Seal]

KIAMICHI RAILROAD COMPANY, INC.

Attest:

By:

Jack Hadley, President

corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

[Corporate Seal]

MLB CONSULTING CORP.

Attest:

By: _____
Richard A. Peters, President

[Corporate Seal]

KIAMICHI RAILROAD COMPANY, INC.

Attest:

James S. Shell

By: Jack Hadley
Jack Hadley, President

STATE OF NEW YORK)

CITY OF NEW YORK)

) ss.
)

On this _____ day of June, 1988, before me personally appeared Jeffrey A. Foreman, Peters, to me personally known, who being by me duly sworn, says that he is an Assistant Vice President of Irving Trust Company that the seal affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said bank.

Notary Public

~~My Commission Expires:~~ _____

STATE OF

Oklahoma

)

COUNTY OF

Choctaw

)

ss.
)

On this 6TH day of July, 1988, before me personally appeared Jack Hadley, to me personally known, who being by me duly sworn, says that he is the President of Kiamichi Railroad Company, Inc., a Delaware corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Delphine Kay Luna

Notary Public

My Commission Expires: July 27, 1988

SCHEDULE A

DESCRIPTION OF LOCOMOTIVES

<u>Road</u> <u>Unit No.</u>	<u>Description</u>	<u>Engine</u> <u>Serial No.</u>
3801	EMD GP-38, 129-Ton, 2,000 HP Locomotive	62-A-76R
3802	EMD GP-38, 129-Ton, 2,000 HP Locomotive	77-83-1524
3803	EMD GP-38, 129-Ton, 2,000 HP Locomotive	78-A3-1513
901	EMD GP-9, 190-TON 1,750 HP Locomotive	56-J-16
902	EMD GP-9, 120-TON 1,750 HP Locomotive	58-C-65
903	EMD GP-9, 120-TON 1,750 HP Locomotive	78-L3-1513

to CSA

SCHEDULE B

TOTAL PURCHASE PRICE OF THE UNITS

On the Closing Date: \$137,500.00

Payments for the 3801 -3802 Units

<u>INSTALLMENT PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>INTEREST EXPENSE</u>	<u>PRINCIPAL PAYMENT</u>	<u>TOTAL PAYMENTS</u>
07/13/88	158,353.07	\$1,368.43	3,650.31	\$5,018.74
08/13/88	154,702.76	\$1,336.89	3,681.85	\$5,018.74
09/13/88	151,020.91	\$1,305.07	3,713.67	\$5,018.74
10/13/88	147,307.24	\$1,272.98	3,745.76	\$5,018.74
11/13/88	143,561.48	\$1,240.61	3,778.13	\$5,018.74
12/13/88	139,783.35	\$1,207.96	3,810.78	\$5,018.74
01/13/89	135,972.57	\$1,175.03	3,843.71	\$5,018.74
02/13/89	132,128.86	\$1,141.81	3,876.93	\$5,018.74
03/13/89	128,251.94	\$1,108.31	3,910.43	\$5,018.74
04/13/89	124,341.51	\$1,074.52	3,944.22	\$5,018.74
05/13/89	120,397.28	\$1,040.43	3,978.31	\$5,018.74
06/13/89	116,418.98	\$1,006.05	4,012.69	\$5,018.74
07/13/89	112,406.29	\$971.38	4,047.36	\$5,018.74
08/13/89	108,358.93	\$936.40	4,082.34	\$5,018.74
09/13/89	104,276.59	\$901.12	4,117.62	\$5,018.74
10/13/89	100,158.98	\$865.54	4,153.20	\$5,018.74
11/13/89	96,005.78	\$829.65	4,189.09	\$5,018.74
12/13/89	91,816.69	\$793.45	4,225.29	\$5,018.74
01/13/90	87,591.39	\$756.94	4,261.80	\$5,018.74
02/13/90	83,329.59	\$720.11	4,298.63	\$5,018.74
03/13/90	79,030.96	\$682.96	4,335.78	\$5,018.74
04/13/90	74,695.18	\$645.49	4,373.25	\$5,018.74
05/13/90	70,321.93	\$607.70	4,411.04	\$5,018.74
06/13/90	65,910.89	\$569.58	4,449.16	\$5,018.74
07/13/90	61,461.73	\$531.13	4,487.61	\$5,018.74
08/13/90	56,974.12	\$492.35	4,526.39	\$5,018.74
09/13/90	52,447.73	\$453.24	4,565.50	\$5,018.74
10/13/90	47,882.22	\$413.78	4,604.96	\$5,018.74
11/13/90	43,277.27	\$373.99	4,644.75	\$5,018.74
12/13/90	38,632.51	\$333.85	4,684.89	\$5,018.74
01/13/91	33,947.62	\$293.36	4,725.38	\$5,018.74
02/13/91	29,222.25	\$252.53	4,766.21	\$5,018.74
03/13/91	24,456.04	\$211.34	4,807.40	\$5,018.74
04/13/91	19,648.64	\$169.80	4,848.94	\$5,018.74
05/13/91	14,799.69	\$127.89	4,890.85	\$5,018.74
06/13/91	9,908.85	\$85.63	4,933.11	\$5,018.74
07/13/91	4,975.74	\$43.00	4,975.74	\$5,018.74

Payments for the GP 9 Units

INSTALLMENT PAYMENT DATE	PRINCIPAL BALANCE	INTEREST EXPENSE	PRINCIPAL PAYMENT	TOTAL PAYMENTS
07/13/88	102,421.05	\$866.31	3,696.18	\$4,562.49
08/13/88	98,724.87	\$835.05	3,727.44	\$4,562.49
09/13/88	94,997.43	\$803.52	3,758.97	\$4,562.49
10/13/88	91,238.46	\$771.73	3,790.76	\$4,562.49
11/13/88	87,447.70	\$739.66	3,822.83	\$4,562.49
12/13/88	83,624.87	\$707.33	3,855.16	\$4,562.49
01/13/89	79,769.70	\$674.72	3,887.77	\$4,562.49
02/13/89	75,881.93	\$641.83	3,920.66	\$4,562.49
03/13/89	71,961.28	\$608.67	3,953.82	\$4,562.49
04/13/89	68,007.46	\$575.23	3,987.26	\$4,562.49
05/13/89	64,020.20	\$541.50	4,020.99	\$4,562.49
06/13/89	59,999.21	\$507.49	4,055.00	\$4,562.49
07/13/89	55,944.22	\$473.19	4,089.30	\$4,562.49
08/13/89	51,854.92	\$438.61	4,123.88	\$4,562.49
09/13/89	47,731.04	\$403.73	4,158.76	\$4,562.49
10/13/89	43,572.27	\$368.55	4,193.94	\$4,562.49
11/13/89	39,378.33	\$333.08	4,229.41	\$4,562.49
12/13/89	35,148.92	\$297.30	4,265.19	\$4,562.49
01/13/90	30,883.73	\$261.22	4,301.27	\$4,562.49
02/13/90	26,582.46	\$224.84	4,337.65	\$4,562.49
03/13/90	22,244.82	\$188.15	4,374.34	\$4,562.49
04/13/90	17,870.48	\$151.15	4,411.34	\$4,562.49
05/13/90	13,459.15	\$113.84	4,448.65	\$4,562.49
06/13/90	9,010.50	\$76.21	4,486.28	\$4,562.49
07/13/90	4,524.22	\$38.27	4,524.22	\$4,562.49

Payments for the 3803 Unit

<u>INSTALLMENT PAYMENT DATE</u>	<u>INTEREST EXPENSE</u>	<u>PRINCIPAL PAYMENT</u>	<u>TOTAL PAYMENT</u>	<u>PRINCIPAL BALANCE</u>
				80,899.62
7/24/88	703.83	1,805.54	2,509.37	79,094.08
8/24/88	688.12	1,821.25	2,509.37	77,272.83
9/24/88	672.27	1,837.10	2,509.37	75,435.73
10/24/88	656.29	1,853.08	2,509.37	73,582.65
11/24/88	640.17	1,869.20	2,509.37	71,713.45
12/24/88	623.91	1,885.46	2,509.37	69,827.99
1/24/89	607.50	1,901.87	2,509.37	67,926.12
2/24/89	590.96	1,918.41	2,509.37	66,007.71
3/24/89	574.27	1,935.10	2,509.37	64,072.60
4/24/89	557.43	1,951.94	2,509.37	62,120.67
5/24/89	540.45	1,968.92	2,509.37	60,151.74
6/24/89	523.32	1,986.05	2,509.37	58,165.70
7/24/89	506.04	2,003.33	2,509.37	56,162.37
8/24/89	488.61	2,020.76	2,509.37	54,141.61
9/24/89	471.03	2,038.34	2,509.37	52,103.27
10/24/89	453.30	2,056.07	2,509.37	50,047.20
11/24/89	435.41	2,073.96	2,509.37	47,973.24
12/24/89	417.37	2,092.00	2,509.37	45,881.24
1/24/90	399.17	2,110.20	2,509.37	43,771.03
2/24/90	380.81	2,128.56	2,509.37	41,642.47
3/24/90	362.29	2,147.08	2,509.37	39,495.39
4/24/90	343.61	2,165.76	2,509.37	37,329.63
5/24/90	324.77	2,184.60	2,509.37	35,145.03
6/24/90	305.76	2,203.61	2,509.37	32,941.42
7/24/90	286.59	2,222.78	2,509.37	30,718.64
8/24/90	267.25	2,242.12	2,509.37	28,476.52
9/24/90	247.75	2,261.62	2,509.37	26,214.90
10/24/90	228.07	2,281.30	2,509.37	23,933.60
11/24/90	208.22	2,301.15	2,509.37	21,632.45
12/24/90	188.20	2,321.17	2,509.37	19,311.28
1/24/91	168.01	2,341.36	2,509.37	16,969.92
2/24/91	147.64	2,361.73	2,509.37	14,608.19
3/24/91	127.09	2,382.28	2,509.37	12,225.91
4/24/91	106.37	2,403.00	2,509.37	9,822.91
5/24/91	85.46	2,423.91	2,509.37	7,399.00
6/24/91	64.37	2,445.00	2,509.37	4,954.00
7/24/91	43.10	2,466.27	2,509.37	2,487.73
8/24/91	21.64	2,487.73	2,509.37	0.00
	14,456.44	80,899.62		

SCHEDULE C

CASUALTY VALUE OF UNITS

<u>Installment Payment Number</u>	<u>Casualty Value For Each Unit of the 3801-3802 Units and the 3803 Unit</u>	<u>Casualty Value For Each of the GP-9 Units</u>
1	106,250	40,925
2	105,000	40,100
3	103,750	39,275
4	102,500	38,450
5	101,250	37,625
6	100,000	36,800
7	98,750	35,975
8	97,500	35,150
9	96,250	34,235
10	95,000	33,500
11	93,750	32,675
12	92,500	31,850
13	91,250	31,025
14	90,000	30,200
15	88,750	29,375
16	87,500	28,550
17	86,250	27,725
18	85,000	26,900
19	83,750	26,075
20	82,500	25,250
21	81,250	24,425
22	80,000	23,600
23	78,750	22,775
24	77,500	21,950
25	76,250	21,125
26	75,000	
27	73,750	
28	72,500	
29	71,250	
30	70,000	
31	68,750	
32	67,500	
33	66,250	
34	65,000	
35	63,750	
36	62,500	
37	61,250	