

THE LAW OFFICES OF  
**LORITZ & ASSOCIATES**  
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RICHARD F. LORITZ  
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February 9, 1994

Office of the Secretary  
Interstate Commerce Commission  
Twelfth & Constitution Ave., N.W.  
Room 2303  
Washington, D.C. 20423

Attention: Ms. Mildred R. Lee

RE: Lease of Locomotive Equipment  
National Railway Equipment Company, Lessor  
Idaho Northern & Pacific Railroad Company, Lessee

Dear Ms. Lee:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease of locomotive equipment and is a primary document dated January 15, 1994. The names and addresses of the parties to the documents are as follows:

Lessor

National Railway Equipment Company  
An Illinois Corporation  
14400 S. Robey Street  
P.O. Box 2270  
Dixmoor, IL 60426

Lessee

Idaho Northern & Pacific Railroad Company  
4420 W. Vickery Boulevard, Suite 110  
Forth Worth, TX 76107

RECORDATION NO. **18696**  
FILED 1425  
FEB 14 1994-10 25 AM  
INTERSTATE COMMERCE COMMISSION

RECEIVED  
OFFICE OF THE  
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LICENSING BRANCH

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Office of the Secretary  
February 9, 1994  
Page 2

A description of the equipment covered by the document follows:

<u>Previous Road #</u>	<u>Present Road #</u>	<u>Locomotive Type</u>
CSX 6663	4500	GP40
CSX 6668	4501	GP40
CSX 6700	4502	GP40
CSX 6727	4503	GP40
CSX 6735	4504	GP40
CSX 6767	4505	GP40
CSX 6808	4506	GP40
NS 2656	4507	GP35
NS 2657	4508	GP35
NS 2672	4509	GP35
NS 2675	4510	GP35

A fee of \$18.00 is enclosed. Please return the original after recordation to Richard F. Loritz, 9533 W. 143rd Street, Orland Park, IL 60462.

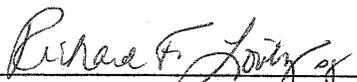
A short summary of the document to appear in the index follows:

A lease of locomotive equipment identified as seven (7) locomotives, type GP40, and four (4) locomotives, type GP35, with National Railway Equipment Co., as Lessor, and Idaho Northern & Pacific Railroad Company, as Lessee.

Also attached is an Affidavit executed by the attorney in fact for National Railway Equipment Co. and appropriately notarized declaring that the enclosed copy is identical to the original document which is also enclosed.

Very truly yours,

NATIONAL RAILWAY EQUIPMENT CO.  
an Illinois Corporation

BY:   
RICHARD F. LORITZ

ITS: Attorney and Agent in Fact

RFL/sjg  
Enclosures

nrec#209.941

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

2/23/94

OFFICE OF THE SECRETARY

Richard F. Loritz  
Loritz & Associates  
Orland State Bank Building  
9353 West 143rd Street  
Orland Park, Illinois 60462

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions  
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,  
on 2/14/94 at 10:25am, and assigned  
recordation number(s). 18696

Sincerely yours,

Secretary  
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

RECORDATION NO. 18696 FILED 1425

FEB 14 1994-10 25 AM

A. LEASE OF LOCOMOTIVE EQUIPMENT  
INTERSTATE COMMERCE COMMISSION

1. Base Terms. National Railway Equipment Co. (National) agrees to supply on a lease/purchase basis eleven (11) locomotives as described in Exhibit A. Idaho Northern & Pacific Railroad Company agrees to pay National Railway in accordance to the following schedule:

(A) Years 1-5

4 ea.	GP-40 w/Extended Range	@ \$103.91 per day
3 ea.	GP-40 w/Standard Range	@ \$ 93.07 per day
4 ea.	GP-35 w/Extended Range	@ \$ 78.61 per day

(B) Final balloon payment at the end of five (5) years:

4 ea.	GP-40 w/Extended Range	@ \$20,000.00 each
3 ea.	GP-40 w/Standard Range	@ \$20,000.00 each
4 ea.	GP-35 w/Extended Range	@ \$20,000.00 each

2. Lease Renewal. Idaho Northern & Pacific Railroad Company at the end of the lease term, if all terms and conditions of the Lease agreement have been adhered to, shall assume complete ownership of the locomotives.

3. Default. Upon default by Idaho Northern & Pacific Railroad Company in the payment of any amount due under the terms of this rental agreement or upon the violation by Idaho Northern & Pacific Railroad Company of any of the terms and conditions hereof or if Idaho Northern & Pacific Railroad Company shall vacate, desert or abandon the locomotives or permit same to remain vacated, deserted or abandoned for a period of twenty (20) days and the failure to remedy such default within thirty (30) days after notice of such default to Idaho Northern & Pacific Railroad Company, then National at its option by written notice

to Idaho Northern & Pacific Railroad Company may declare this rental agreement to be terminated and all rights of Idaho Northern & Pacific Railroad Company in and to said locomotives to be at an end, and National shall become entitled to the immediate possession of the locomotives. The declaration of default and the repossession of the locomotives by National shall not excuse Idaho Northern & Pacific Railroad Company from the liability to National for any rental earned prior to the termination of said rental agreement, or for any other expenses incurred by Idaho Northern & Pacific Railroad Company and due National prior to the termination of said rental agreement. Idaho Northern & Pacific Railroad Company shall further be liable for and shall pay all expenses incurred by National in taking said locomotives into its possession upon such or any default under the terms of this rental agreement.

4. Uses. The locomotives are to be used by Idaho Northern & Pacific Railroad Company for commercial railway hauling and/or passenger purposes; and Idaho Northern & Pacific Railroad Company and National shall comply with all rules of the Association of American Railroads, the Interstate Commerce Commission and the Federal Railroad Administration, or any successors thereto, with respect to the use, maintenance and operations of the locomotives while in the possession of Idaho Northern & Pacific Railroad Company.

5. Fees And Taxes. Idaho Northern & Pacific Railroad Company shall be liable for and pay and satisfy every lawful claim and liability arising against the use or operation of said

locomotives during the term of this rental agreement and, as additional rental, assumes hereunder all license fees, taxes, charges and penalties imposed by the state of operation or any other state, governmental, or municipal subdivision in which said locomotives may be situated, or may be operated, during the term of this rental agreement. Idaho Northern & Pacific Railroad Company may in good faith contest the lawfulness of the imposition of all such license fees, taxes, charges, and penalties and National shall cooperate with Idaho Northern & Pacific Railroad Company in such contest.

6. Ownership. National covenants and warrants its ownership of said locomotives and guarantees peaceful possession of the locomotives to Idaho Northern & Pacific Railroad Company at all times during the term of this agreement.

7. Indemnity. Idaho Northern & Pacific Railroad Company shall indemnify National against any loss, liability, damage or expense which it may incur by reason of any claim made by third parties growing out of the operation of said locomotives, except for the loss, liability damage or expense caused or resulting from the negligence or willful misconduct of National or its employees.

8. Insurance. (a) Idaho Northern & Pacific Railroad Company will provide and maintain for the said locomotives while under lease, insurance to cover both National and Idaho Northern & Pacific Railroad Company against claims of third person(s) as follows.

- i. Public liability and property damage coverage protecting National and Idaho Northern & Pacific Railroad Company with respect to their liability for injuries and/or death to third person and damage, destruction or loss of use of property of third person, as provided in the insurance policy or policies.
- ii. Said liability coverage shall provide for an aggregate limit of not less than Five Million dollars (\$5,000,000.00), to the extent as commercially available, for all damages arising out of the bodily injuries to or death of persons and for all damages to or destruction of property within one year, and with maximum self insured retention of One Hundred Thousand and NO/100 dollars (\$100,000.00) to the extent commercially available.
- iii. In the event Idaho Northern & Pacific Railroad Company fails to procure or maintain the above insurance, National may procure or maintain the insurance. The resultant cost shall be payable to National as part of the next rental payment, and Idaho Northern & Pacific Railroad Company failure to pay this cost shall have the same effect as the failure to pay rent.
- iv. Idaho Northern & Pacific Railroad Company shall provide National with a certificate of such

insurance from the insurer which shall provide that insurer will notify National in writing at least thirty (30) days prior to cancellation or refusal to renew any policy.

9. Physical Damage. Idaho Northern & Pacific Railroad Company further agrees to provide and maintain physical damage insurance coverage, in the amount stated in Exhibit A, for loss of or damage to said locomotives due to fire, theft, windstorm, flood or other risks and hazards covered by the standard type of policy regularly issued therefore. National shall be named insured in the above physical damage policy.

10. Non-Assignment. Idaho Northern & Pacific Railroad Company agrees that it will not assign, transfer, sublet or lease its rights under this lease, without prior written consent of National, which consent shall not be unreasonably withheld, and will not pledge, mortgage or otherwise encumber or permit to exist upon or be subjected to any lien or charge, and right or interest of Idaho Northern & Pacific Railroad Company hereunder. Idaho Northern & Pacific Railroad Company agrees to keep appropriate signs and/or plaques on the locomotives to clearly show that the locomotives are not the property of Idaho Northern & Pacific Railroad Company and are owned by others. Such signs and/or plaques to be provided and mounted on locomotives by National. Idaho Northern & Pacific Railroad Company shall have the right to permit other railroad companies to use the locomotives pursuant to power exchange agreements between Idaho Northern & Pacific Railroad Company and such other railroad

companies. National shall be satisfied that the maintenance performed by the using railroad is of a standard satisfactory to National. Any maintenance or repairs made shall be verified with written records.

11. Condition at Delivery. The locomotives subject to this lease shall be qualified prior to delivery and shall be in compliance with the Federal Railroad Administration requirements.

12. Warranty. The qualification work scope shall be as found in Exhibit "B" herein. Upon delivery of subject locomotives to Idaho Northern, a joint inspection of each locomotive will be made in order to determine acceptance of each locomotive consistent with the qualification work scope. Defects to said qualification will be remedied by National prior to commencement of lease or obligation to begin rental payments. Delivery shall be at the time of joint inspection at National's shop(s) location.

13. Damage to Locomotives. Idaho Northern & Pacific Railroad Company shall pay for all damages caused by failure of Idaho Northern & Pacific Railroad Company to maintain an adequate level of crankcase oil in the air compressor or diesel engine of the locomotives or other neglect of Idaho Northern & Pacific Railroad Company or Idaho Northern & Pacific Railroad Company employees or other persons using said locomotives while the locomotives are in Idaho Northern & Pacific Railroad Company possession, regardless of whether the damage is discovered while the locomotives are in the possession of Idaho Northern & Pacific Railroad Company. Except as otherwise provided in this

Agreement, Idaho Northern & Pacific Railroad Company further understands that National assumes no liability for injuries sustained by any person or employee of Idaho Northern & Pacific Railroad Company as a result of the use of the locomotives. National assumes all liabilities for injuries to National's employees resulting from the performance of National's obligations hereunder.

**B. GENERAL PROVISIONS**

1. **Payments.** All payments or notices hereunder to be sent pursuant to this agreement shall be in writing and shall be addressed, if to National to NATIONAL RAILWAY EQUIPMENT CO., at P.O. Box 74493, Chicago, Illinois 60690, and if to Idaho Northern & Pacific Railroad Company, 4420 W. Vickery Blvd, Ste. 110, Fort Worth, Texas 76107, or such other address as may be designated from time to time by either party in writing. All payments in arrearage shall bear fourteen percent (14%) per annum interest until date paid.

All payments are due in arrears, with bi-monthly installments. All payments are due on the first and the fifteenth day of each month.

Idaho Northern & Pacific Railroad Company agrees that National Railway may assign its interest to a third party.

### C. WARRANTY

1. Warranty. National warrants all parts and components for locomotives described in Exhibit A for a period of ninety (90) days.

2. Rate. National Railway shall have right of first refusal in providing additional locomotives, if required, under this lease, except that locomotives owned or leased by Idaho Northern's sister companies may be used on Idaho Northern and temporary additional locomotives may be leased from Union Pacific Railroad or other sources, but would not be maintained by National.

3. Use By Other Railroads. Idaho Northern & Pacific Railroad Company may permit other railroad companies to use the locomotives described in Exhibit A.

4. Purchase Obligation. Upon and subject to the terms and conditions set forth in this Lease Agreement and provided that the Lease Agreement has not been terminated for any reason whatsoever, the Lessee has the obligation to purchase the Equipment, as follows:

- (A) Provided that Lessee is not in default hereunder, or that an event has not occurred which, with the giving of notice or passage of time or both, would constitute an Event of Default, upon the expiration of the Lease Term, Lessor will sell, and Lessee will purchase the Equipment, unless the

lease is earlier terminated pursuant to the provisions of this Lease Agreement;

(B) Provided that the Lease has not been terminated.

(C) The final balloon payment as defined in base terms shall be as follows:

(1) The Balloon Payment shall be \$20,000.00 per locomotive.

Upon payment of the Final Balloon Payment, Lessor shall convey title of the Equipment by Bill of Sale with no warranties except as to its lawful right to convey said locomotives to Idaho Northern & Pacific Railroad Company free and clear of any and all encumbrances or repossession of any kind or nature whatsoever. Lessee shall be responsible for all closing costs including but not necessarily limited to transfer and/or sales tax.

5. Purchase of Lease Lessee may at any time prior to the termination of this lease, terminate said lease and exercise its option to purchase subject equipment by paying the present value of all remaining lease payments for each locomotive to be purchased using the stated interest rate of eleven and one half (11.5) percent. Such early purchase of lease shall require a minimum of thirty (30) days prior notice.

EXHIBIT "A"

<u>LOCOMOTIVE TYPE</u>	<u>PREVIOUS ROAD #</u>	<u>PRESENT ROAD #</u>	<u>CASUALTY VALUE</u>
GP 40	CSX 6663	4500	\$140,000.00
GP 40	CSX 6668	4501	\$140,000.00
GP 40	CSX 6700	4502	\$140,000.00
GP 40	CSX 6727	4503	\$155,000.00
GP 40	CSX 6735	4504	\$155,000.00
GP 40	CSX 6767	4505	\$155,000.00
GP 40	CSX 6808	4506	\$155,000.00
GP 35	NS 2656	4507	\$120,000.00
GP 35	NS 2657	4508	\$120,000.00
GP 35	NS 2672	4509	\$120,000.00
GP 35	NS 2675	4510	\$120,000.00

EXHIBIT "B"

WORK SCOPE FOR GP40 LOCOMOTIVES

QUANTITY OF FOUR (4) EACH

**A. ENGINES**

1. Locomotive to have the 16-645-E3 diesel engines removed and 16-567-D3 engines installed.
2. Power assemblies were inspected and qualified for service. All components not meeting OEM specifications to be replaced.
3. Leads to be taken on each assembly. All defects will be corrected.
4. Lube oil samples taken prior to start up and after load test.
5. Connecting rod bearings to be inspected. Lower main bearings to be inspected. Replace as required.
6. Injectors, rockers and valve bridges replaced as required.
7. Turbochargers inspected and tested under load test.
8. Engine load tested and governors and racks set to gain proper horsepower.
9. Major oil leaks corrected and tightened up.

**B. TRUCKS**

1. Wheels to be 2" minimum with a maximum flange reading of 08.
2. Bad order brake shoes renewed.
3. Bent or off running shoes and rigging to be repaired.
4. Bad order pedestal liners replaced when cracked or out of limits.
5. Traction motors will be qualified to within OEM specifications with new brushes installed as required.
6. Motor supports, wicks and j-boxes will be serviced and inspected. Oil levels as specified by OEM.

**B. TRUCKS CONT.**

7. Gear case leakage deemed excessive will be corrected and all relubed per standards. Clamps and bolts inspected and tightened as required.
8. Sander at present combination between single and inboard will be repaired in kind.
9. Center bearing and side bearing clearances to be within specification. Bearings to be lubricated as per OEM specification.
10. Truck frames inspected for cracks. Any cracks found shall be veed and 100% welded as per OEM instructions.
11. Trucks cleaned as necessary and painted to customer specifications.

**C. ALTERNATOR**

1. Qualify alternator in place. All internal components to be inspected and to within OEM specifications for reuse.
2. Brushes renewed as required.
3. Commutators to be within OEM specification for reuse.
4. Armature bearing monitored for noise. Bearings not meeting specification shall be replaced with new as required.
5. Alternator and diode banks cleaned internally as practical.

**D. ELECTRICAL SYSTEM**

1. All circuits tested and repaired as required.
2. Free locomotive of grounds.
3. System function test all circuits.
4. Cycle and recalibrate transition circuits.
5. Install rebuilt or new batteries.
6. Set voltage regulation.
7. Apply all missing covers.
8. Apply all light bulbs as necessary.

**D. ELECTRICAL SYSTEM CONT.**

9. Load test system.
10. Replace brushes as required.
11. Locomotives to be modified for extended range dynamic braking.

**E. AIR BRAKE**

1. Give fresh 92 day FRA.
2. Inspect air compressor for pumping oil, repair as necessary.
3. Renew air intake filters.

**F. COOLING**

1. Inspect for leaks while hydro test and correct defects.
2. Load test and monitor temperature difference on lube oil cooler.

**G. LUBE SYSTEM**

1. Repair leaks as necessary.
2. Load test and monitor temperature difference on lube oil cooler.

**H. FUEL**

1. 60 lb. test engine fuel lines and injectors for leakage. All defects repaired as per OEM specifications.
2. Replace all filters with new.
3. Carbody filters, if equipped, will be renewed.

**I. ENGINE AIR FILTERS**

1. Renew all filters on engine air intake.
2. Carbody filters, if equipped, will be renewed.
3. Inertial filters to be removed, cleaned and reapplied.

**J. LOAD TEST**

1. Perform standard load test as required by OEM.

2. Adjust and correct defects.

**K. PAINTING**

1. Interior and exterior to be steam cleaned and internal areas hand wiped.
2. Unit to be sandblasted and primed.
3. Unit to be painted to customer specifications.

WORK SCOPE FOR GP40 LOCOMOTIVES

QUANTITY OF THREE (3) EACH

**A. ENGINES**

1. Locomotive to have the 16-645-E3 diesel engines removed and 16-567-D3 engines installed.
2. Power assemblies were inspected and qualified for service. All components not meeting OEM specifications to be replaced.
3. Leads to be taken on each assembly. All defects will be corrected.
4. Lube oil samples taken prior to start up and after load test.
5. Connecting rod bearings to be inspected. Lower main bearings to be inspected. Replace as required.
6. Injectors, rockers and valve bridges replaced as required.
7. Turbochargers inspected and tested under load test.
8. Engine load tested and governors and racks set to gain proper horsepower.
9. Major oil leaks corrected and tightened up.

**B. TRUCKS**

1. Wheels to be 2" inch minimum with a maximum flange reading of 08.
2. Bad order brake shoes renewed.
3. Bent or off running shoes and rigging to be repaired.
4. Bad order pedestal liners replaced when cracked or out of limits.
5. Traction motors will be qualified to within OEM specifications with new brushes installed as required.
6. Motor supports, wicks and j-boxes will be serviced and inspected. Oil levels as specified by OEM.
7. Gear case leakage deemed excessive will be corrected and all relubed per standards. Clamps and bolts inspected and tightened as required.

**B. TRUCKS CONT.**

8. Sander at present combination between single and inboard will be repaired in kind.
9. Center bearing and side bearing clearances to be within specification. Bearings to be lubricated as per OEM specification.
10. Truck frames inspected for cracks. Any cracks found shall be veed and 100% welded as per OEM instructions.
11. Trucks cleaned as necessary and painted to customer specifications.

**C. ALTERNATOR**

1. Qualify alternator in place. All internal components to be inspected and to be within OEM specifications for reuse.
2. Brushes renewed as required.
3. Commutators to be within OEM specification for reuse.
4. Armature bearing monitored for noise. Bearings not meeting specification shall be replaced with new as required.
5. Alternator and diode banks cleaned internally as practical.

**D. ELECTRICAL SYSTEM**

1. All circuits tested and repaired as required.
2. Free locomotive of grounds.
3. System function test all circuits.
4. Cycle and recalibrate transition circuits.
5. Install rebuilt or new batteries.
6. Set voltage regulation.
7. Apply all missing covers.
8. Apply all light bulbs as necessary.
9. Load test system.
10. Replace brushes as required.

**E. AIR BRAKES**

1. Give fresh 92 day FRA.
2. Inspect air compressor for pumping oil, repair as necessary.
3. Renew air intake filters.

**F. COOLING**

1. Inspect for leaks while under hydro test and correct defects.
2. Load test and monitor all systems.

**G. LUBE SYSTEM**

1. Repair leaks as necessary.
2. Load test and monitor temperature difference on lube oil cooler.

**H. FUEL**

1. 60 lb. test engine fuel lines and injectors for leakage. All defects repaired as per OEM specifications.
2. Replace all filters with new.
3. Carbody filters, if equipped, will be renewed.

**I. ENGINE AIR FILTERS**

1. Renew all filters on engine air intake.
2. Carbody filters, if equipped, will be renewed.
3. Inertial filters to be removed, cleaned and reapplied.

**J. LOAD TEST**

1. Perform standard load test as required by OEM.
2. Adjust and correct defects.

**K. PAINTING**

1. Interior and exterior to be steam cleaned and internal areas hand wiped.
2. Unit to be sandblasted and primed.

K. PAINTING CONT.

3. Unit to be painted to customer specifications.

WORK SCOPE FOR GP35 LOCOMOTIVES

QUANTITY OF FOUR (4) EACH

**A. ENGINES**

1. Power assemblies were inspected and qualified for service. All components not meeting OEM specifications to be replaced.
2. Leads to be taken on each assembly. Any defects will be corrected as required by OEM specifications.
3. Lube oil samples taken prior to start up and after load test. Lube oil not meeting specifications shall be changed.
4. Connecting rod bearings and main bearings to be inspected and replaced as required.
5. Injectors, rockers and valve bridges replaced as required.
6. Turbochargers inspected and tested under load test.
7. Engine load tested and governors and racks set to gain proper horsepower.
8. Major oil leaks corrected and tightened up.

**B. TRUCKS**

1. Wheels to be 2" inch minimum with a maximum flange reading of 08.
2. Bad order brake shoes renewed.
3. Bent or off running shoes and rigging to be repaired.
4. Bad order pedestal liners replaced when cracked or out of limits.
5. Traction motors will be qualified to within OEM specifications with new brushes installed as required.
6. Motor supports, wicks and j-boxes will be serviced and inspected. Oil levels as specified by OEM.
7. Gear case leakage deemed excessive will be corrected and all relubed per standards. Clamps and bolts inspected and tightened as required.

**B. TRUCKS CONT.**

9. Sander at present combination between single and inboard will be repaired in kind.
10. Truck frames inspected for cracks. Any cracks found shall be veed and 100% welded as per OEM instructions.
11. Trucks cleaned as necessary and painted to customer specifications.

**C. MAIN GENERATOR/ALTERNATOR**

1. Qualify main generator in place. All internal components to be inspected and to within OEM specifications for reuse.
2. Brushes renewed as required.
3. Commutators to be within OEM specification for reuse.
4. Armature bearing monitored for noise. Bearings not meeting specification shall be replaced with new as required.
5. Generator cleaned internally as practical.

**D. ELECTRICAL SYSTEM**

1. All circuits tested and repaired as required.
2. Free locomotive of grounds.
3. System function test all circuits.
4. Cycle and recalibrate transition circuits.
5. Install rebuilt or new batteries.
6. Set voltage regulation.
7. Apply all missing covers.
8. Apply all light bulbs as necessary.
9. Load test system.
10. Replace brushes as required.

**E. AIR BRAKE**

1. Give fresh 92 day FRA.

**E. AIR BRAKE CONT.**

2. Inspect air compressor for pumping oil, repair as necessary.
3. Renew air intake filters.

**F. COOLING**

1. Inspect for leaks while under hydro test and correct defects.
2. Load test and monitor all systems.

**G. LUBE SYSTEM**

1. Repair leaks as necessary.
2. Load test and monitor temperature difference on lube oil cooler.

**H. FUEL**

1. 60 lb. test engine fuel lines and injectors for leakage. All defects repaired as per OEM specifications.
2. Replace all filters with new.
3. Carbody filters, if equipped, will be renewed.

**I. ENGINE AIR FILTERS**

1. Renew all filters on engine air intake.
2. Carbody filters, if equipped, will be renewed.
3. Inertial filters to be removed, cleaned and reapplied.

**J. LOAD TEST**

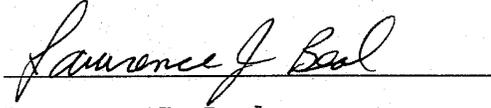
1. Perform standard load test as required by OEM.
2. Adjust and correct defects.

**K. PAINTING**

1. Interior and exterior to be steam cleaned and internal areas had wiped.
2. Unit to be sandblasted and primed.
3. Unit to be painted to customer specifications.

IN WITNESS WHEREOF, the parties have signed this agreement.

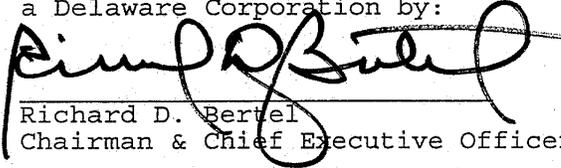
NATIONAL RAILWAY EQUIPMENT CO.  
an Illinois Corporation by:



Lawrence J. Beal  
President

SEAL

IDAHO NORTHERN & PACIFIC RAILROAD COMPANY  
a Delaware Corporation by:



Richard D. Bertel  
Chairman & Chief Executive Officer

SEAL

Dated: January 15, 1994

lease2.INP

AFFIDAVIT

RECORDATION NO. \_\_\_\_\_ FILED 1425  
FEB 14 1994-10 25 AM  
INTERSTATE COMMERCE COMMISSION

STATE OF ILLINOIS     )  
                                  ) ss  
COUNTY OF COOK     )

The undersigned states that he has read the attached document and that the document attached is identical to the complete and original Lease Agreement.

This Affidavit is made pursuant to the procedures in Section 117.3(2)(b) relative to the recordation of documents with the Interstate Commerce Commission.

Richard F. Lutz  
AFFIANT

Subscribed and Sworn to  
before me this 9<sup>th</sup> day  
of February, 1994.

Sarah J. Goodnight  
NOTARY PUBLIC

