

MAR 25 1994 - 12 50 PM

EXHIBIT B TO EQUIPMENT LEASING AGREEMENT  
INTERSTATE COMMERCE COMMISSION  
LEASE SUPPLEMENT NO. 2

This Lease Supplement is executed pursuant to, and incorporates by reference all of the terms, conditions and provisions of, the Equipment Leasing Agreement dated as of September 30, 1992 and the Related Exhibit A-2 between the undersigned Lessor and Lessee (herein, as amended and supplemented from time to time, called the "Lease"). The Kansas City Southern Railway Company, as successor through merger to the rights and obligations of TennRail Corporation under the Lease, hereby (a) acknowledges and certifies that (i) each Item of Equipment described below or on any Schedule attached hereto has been selected by, and delivered to Lessee, (ii) Lessee has reviewed and approved the purchase order, supply contract or purchase agreement covering each such Item, and (iii) that as between Lessor and Lessee, each such Item is of a size, design, capacity and manufacture acceptable to and suitable for Lessee's purposes, has been installed to Lessee's satisfaction, and is in good working order, repair and condition; and (b) unconditionally and irrevocably accepts each such Item for lease under the Lease on the date hereof. Lessor and Lessee hereby agree that each Item of Equipment described below or on any Schedule attached hereto is hereby leased from Lessor to Lessee under and subject to all of the terms, conditions and provisions of the Lease; that the Term of each such Item commences on the date hereof and that such date is the Acceptance Date thereof; and that the Acquisition Cost, Interim Term, Basic Term Commencement Date, Basic Term, Interim Rent, Basic Rent and Related Exhibit A for all Items of Equipment covered by this Lease Supplement are as set forth below. Lessee hereby agrees to pay the Rent for all Items of Equipment covered by this Lease Supplement in the amounts and at the times specified below, reaffirms the acknowledgments and agreements in Section 8 of the Lease and certifies that the representations and warranties set forth in Section 22 of the Lease and in any related certificate delivered to Lessor are true and correct as to The Kansas City Southern Railway Company on the date hereof. All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease, except that "Lessee" shall be The Kansas City Southern Railway Company.

1. Description of Item(s) of Equipment (include make, model, serial number and quantity):

Each of the single 10' sliding replacement doors, together with all related materials, installed on each of the 123 used 70 ton, 50'6" boxcars manufactured by Berwick or Pullman and identified on Schedule A-2 to the Related Exhibit A-2

2. Acquisition Cost: \$676,807.50

3. Interim Term: Commencing on date hereof and ending on April 3, 1994.

4. Basic Term Commencement Date: April 4, 1994.

5. Basic Term: One Hundred Twenty-Nine (129) months, commencing on Basic Term Commencement Date and ending on January 3, 2005.

6. Interim Rent for Interim Term: \$2,267.82 (plus applicable sales/use tax) and payable on April 4, 1994.

7. Basic Rent payable during Basic Term: \$7,559.26 (plus applicable sales/use tax) payable on each Rent Payment Date in advance during Basic Term, commencing on April 4, 1994.

8. Related Exhibit A: Exhibit A-2 to the Lease.

9. Successor Lessee: Lessee, successor in interest through merger to TennRail Corporation (the original lessee), hereby affirms that (i) as of January 1, 1994, it has succeeded to all of the rights and obligations of TennRail Corporation (TennRail") under the Lease and under the Collateral Assignment of Services Agreement dated as of September 30, 1992 between TennRail and the Lessor, as the same may be amended from time to time (the "Collateral Assignment") and (ii) payment and performance of any and all of its obligations under the Lease, including without limitation under Lease Supplement No. 2,

are secured by its rights under and interests in the Services Agreement. Lessee represents and warrants that it has not sold, transferred or assigned its rights in, or granted a security interest in the Lease, the Equipment (except for Permitted Liens) or the Services Agreement Collateral (as such term is defined in the Collateral Assignment).

10. Disclaimer of Title: Lessee hereby acknowledges that pursuant to Section 12 of the Lease, the Door Modifications are the sole and exclusive property of Lessor, and to the extent, if any, that Lessee or TennRail has or had acquired any right, title or interest in or to the Door Modifications, or any part thereof, Lessee hereby releases, remises and forever quitclaims unto Lessor all of such right, title and interest in and to the Door Modifications, together with all the rents, issues and profits thereof, to have and to hold such Door Modifications and all such rents, issues and profits unto the Lessor and its successors and assigns forever. The foregoing transfer of title, if any, is made without warranty by Lessee to Lessor.

11. Amendment of Section 30 of Lease: Section 30 of the Lease is hereby deleted in its entirety and the following is hereby substituted therefor:

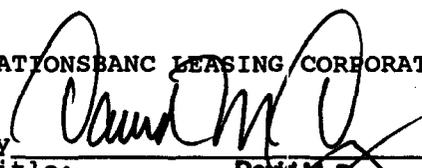
30. Financial Information. Lessee agrees to furnish Lessor (a) as soon as available, and in any event within 120 days after the last day of each fiscal year of Lessee, a copy of the consolidated balance sheet of Kansas City Southern Industries, Inc. and its consolidated subsidiaries as of the end of such fiscal year, and related consolidated statements of income and retained earnings of Lessee and its consolidated subsidiaries for such fiscal year, together with consolidating information with respect to Lessee, certified by an independent certified public accounting firm of recognized standing, each on a comparative basis with corresponding statements for the prior fiscal year, and a copy of Kansas City Southern Industries, Inc.'s form 10-K, if any, filed with the Securities and Exchange Commission for such fiscal year; (b) within 45 days after the last day of each fiscal quarter of Kansas City Southern Industries, Inc. (except the last such fiscal quarter), a copy of the balance sheet as of the end of such quarter, and statement of income and retained earnings covering the fiscal year to date of Kansas City Southern Industries, Inc. and its consolidated subsidiaries, each on a comparative basis with the corresponding period of the prior year, together with consolidating information with respect to Lessee, all in reasonable detail and certified by the treasurer or principal financial officer of Kansas City Southern Industries, Inc., together with a copy of Kansas City Southern Industries, Inc.'s form 10-Q, if any, filed with the Securities and Exchange Commission for such quarterly period; (c) contemporaneously with its transmittal to each stockholder of Kansas City Southern Industries, Inc. and to the Securities and Exchange Commission, all such other financial statements and reports as Kansas City Southern Industries, Inc. shall send to its stockholders and to the Securities and Exchange Commission; (d) as soon as available to Kansas City Southern Industries, Inc., the notice of any adjustment resulting from any audit of the books and/or records of Kansas City Southern Industries, Inc. by any taxing authority having jurisdiction over Kansas City Southern Industries, Inc.; and (e) such additional financial information as Lessor may reasonably request concerning Lessee or Kansas City Southern Industries, Inc. In the event that Kansas City Southern Industries, Inc. no longer is the owner of a majority of the common stock of Lessee or in the event Lessee becomes obligated to file form 10-K with the Securities and Exchange Commission, Lessee shall provide the above information with respect to Lessee.

12. Certain of the boxcars that constitute Items of Equipment have been renumbered as set forth on Schedule A-2 to Exhibit A-2 to the Lease.

Dated: March 25, 1994.

COUNTERPART NO. 8 OF 8  
SERIALLY NUMBERED MANUALLY EXECUTED  
COUNTERPARTS. TO THE EXTENT, IF ANY,  
THAT THIS DOCUMENT CONSTITUTES  
CHattel PAPER UNDER THE UNIFORM  
COMMERCIAL CODE, NO SECURITY INTEREST  
IN THIS DOCUMENT MAY BE CREATED  
THROUGH THE TRANSFER AND POSSESSION  
OF ANY COUNTERPART OTHER THAN  
COUNTERPART NO. 1.

NATIONSBANC LEASING CORPORATION  
(Lessor)

By   
Title: David M. Bruly  
Vice President

THE KANSAS CITY SOUTHERN RAILWAY COMPANY  
(Lessee)

By \_\_\_\_\_  
Title: \_\_\_\_\_

10. Disclaimer of Title: Lessee hereby acknowledges that pursuant to Section 12 of the Lease, the Door Modifications are the sole and exclusive property of Lessor, and to the extent, if any, that Lessee or TennRail has or had acquired any right, title or interest in or to the Door Modifications, or any part thereof, Lessee hereby releases, remises and forever quitclaims unto Lessor all of such right, title and interest in and to the Door Modifications, together with all the rents, issues and profits thereof, to have and to hold such Door Modifications and all such rents, issues and profits unto the Lessor and its successors and assigns forever. The foregoing transfer of title, if any, is made without warranty by Lessee to Lessor.

11. Amendment of Section 30 of Lease: Section 30 of the Lease is hereby deleted in its entirety and the following is hereby substituted therefor:

30. Financial Information. Lessee agrees to furnish Lessor (a) as soon as available, and in any event within 120 days after the last day of each fiscal year of Lessee, a copy of the consolidated balance sheet of Kansas City Southern Industries, Inc. and its consolidated subsidiaries as of the end of such fiscal year, and related consolidated statements of income and retained earnings of Lessee and its consolidated subsidiaries for such fiscal year, together with consolidating information with respect to Lessee, certified by an independent certified public accounting firm of recognized standing, each on a comparative basis with corresponding statements for the prior fiscal year, and a copy of Kansas City Southern Industries, Inc.'s form 10-K, if any, filed with the Securities and Exchange Commission for such fiscal year; (b) within 45 days after the last day of each fiscal quarter of Kansas City Southern Industries, Inc. (except the last such fiscal quarter), a copy of the balance sheet as of the end of such quarter, and statement of income and retained earnings covering the fiscal year to date of Kansas City Southern Industries, Inc. and its consolidated subsidiaries, each on a comparative basis with the corresponding period of the prior year, together with consolidating information with respect to Lessee, all in reasonable detail and certified by the treasurer or principal financial officer of Kansas City Southern Industries, Inc., together with a copy of Kansas City Southern Industries, Inc.'s form 10-Q, if any, filed with the Securities and Exchange Commission for such quarterly period; (c) contemporaneously with its transmittal to each stockholder of Kansas City Southern Industries, Inc. and to the Securities and Exchange Commission, all such other financial statements and reports as Kansas City Southern Industries, Inc. shall send to its stockholders and to the Securities and Exchange Commission; (d) as soon as available to Kansas City Southern Industries, Inc., the notice of any adjustment resulting from any audit of the books and/or records of Kansas City Southern Industries, Inc. by any taxing authority having jurisdiction over Kansas City Southern Industries, Inc.; and (e) such additional financial information as Lessor may reasonably request concerning Lessee or Kansas City Southern Industries, Inc. In the event that Kansas City Southern Industries, Inc. no longer is the owner of a majority of the common stock of Lessee or in the event Lessee becomes obligated to file form 10-K with the Securities and Exchange Commission, Lessee shall provide the above information with respect to Lessee.

12. Certain of the boxcars that constitute Items of Equipment have been renumbered as set forth on Schedule A-2 to Exhibit A-2 to the Lease.

Dated: March 25, 1994.

COUNTERPART NO. 8 OF 8  
SERIALLY NUMBERED MANUALLY EXECUTED  
COUNTERPARTS. TO THE EXTENT, IF ANY,  
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CHattel PAPER UNDER THE UNIFORM  
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THROUGH THE TRANSFER AND POSSESSION  
OF ANY COUNTERPART OTHER THAN  
COUNTERPART NO. 1.

NATIONSBANC LEASING CORPORATION  
(Lessor)

By \_\_\_\_\_  
Title: \_\_\_\_\_

THE KANSAS CITY SOUTHERN RAILWAY COMPANY  
(Lessee)

By John A. Smith  
Title: VICE PRESIDENT & CONTROLLER

STATE OF GEORGIA        )  
                                  )  
COUNTY OF DEKALB     )        ss:

On this 24<sup>th</sup> day of March 1994, before me personally appeared David M. Drury, to me personally known, who being by me duly sworn, says that he is the Vice President of NationsBanc Leasing Corporation and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of said instrument was the free act and deed of said corporation.

Carol L. Jones  
Notary Public  
(SEAL)  
My Commission Expires: February 21, 1995  
Notary Public, DeKalb County, Georgia

STATE OF MISSOURI     )  
                                  )     SS:  
COUNTY OF JACKSON    )

On this 24<sup>th</sup> day of March, 1994, before me personally appeared John A. Scotto, to me personally known, who being by me duly sworn, says that he is the Vice President & Comptroller of The Kansas City Southern Railway Company and 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 said instrument was the free act and deed of said corporation.

Ruby A Jones  
Notary Public

[SEAL]

My Commission Expires:

**RUBY A. JONES**  
**Notary Public - State of Missouri**  
**Commissioned in Jackson County**  
My Commission Expires July 30, 1996