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URBAN A. LESTER

3-069A045

March 8, 1993

RECORDATION NO. 18104 FILED 1425 1516

MAR 9 1993 1:08 PM

INTERSTATE COMMERCE COMMISSION

MAR 9 1 08 PM '93
MOTOR VEHICLE UNIT

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged copies of a Schedule 2 dated February 26, 1993, a secondary document as defined in the Commission's Rules for the Recordation of Documents in 49 U.S.C. Section 1177.

The enclosed document relates to the Memorandum of Railroad Locomotive Lease Agreement (Schedule 1) dated as of January 14, 1993 which was filed and recorded on January 25, 1993 and assigned Recordation Number 18104.

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

Lessor: IC Leasing Corporation II
1077 East Sahara Avenue
Las Vegas, Nevada 89193

Lessee: Illinois Central Railroad Company
455 North Cityfront Plaza Drive
Chicago, Illinois 60611-5504

A description of the railroad equipment covered by the enclosed document is seventeen (17) EMD SD40-2 locomotives BN 6753-6759, 6761-6764, 6766, 6768-6772 (before acquisition) and IC 6144-6160 (after acquisition).

Handwritten signatures and initials on the left margin.

Mr. Sidney L. Strickland, Jr.
March 8, 1993
Page 2

Also enclosed is a check in the amount of \$16.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth St., NW, Washington, DC 20006.

A short summary of the enclosed secondary document to appear in the Commission's Index is:

Schedule 2 dated February 26, 1993 covering 17 EMD SD40-2 locomotives bearing BN marks and numbers before acquisition and IC marks and numbers after acquisition.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

3/9/93

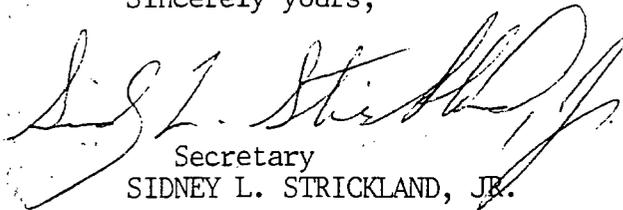
OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord & Alvord
918 16th St. N.W.
Washington, D.C. 20006

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 **3/9/93** at **1:05Pm**, and assigned recordation number(s). **18104-A**

Sincerely yours,



Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

Handwritten mark

MAR 9 1993 1-0 E PM

SCHEDULE 2

INTERSTATE COMMERCE COMMISSION

IC Leasing Corporation II ("ICL") hereby leases the following locomotives to Illinois Central Railroad ("Lessee") pursuant to that certain Railroad Locomotive Lease Agreement dated as of January 14, 1993 between ICL and Lessee (the "Master Lease"). This Schedule is executed pursuant to the terms of the Master Lease and is hereby made a part thereof. The terms of the Master Lease, except to the extent inconsistent herewith, are incorporated herein by reference.

- (1) Number of Units: Seventeen (17)
- (2) Description: EMD SD40-2 locomotives
- (3) Unit Marks and Numbers: BN 6753-6759, 6761-6764, 6766, 6768-6772 (before acquisition); IC 6144 - 6160 (after acquisition)
- (4) Delivery Point: As mutually agreed by ICL and Lessee
- (5) Basic Lease Term: Period commencing on March 1, 1993 and ending on August 31, 2000.
- (6) Per Unit Basic Rental: Rent shall be paid at the rate of \$4,050 per month for each Unit subject to the Master Lease for the Basic Lease Term, with such rent to be payable in arrears on the first day of each quarter following such period, commencing with the installment due April 1, 1993. ICL hereby agrees to pay for improvements made to the Units by or for the account of Lessee during the first 24 months of the Basic Lease Term in an amount not to exceed \$850,000 in the aggregate (representing an average of \$50,000 per Unit) and the Per Unit Basic Rental Rate set forth herein assumes that such improvements will be paid for by ICL; provided, however, that in the event ICL fails to make such improvements, Lessee's sole remedy shall be a claim for damages equal to the amount which would have been spent to make such improvements, in an action brought against ICL for breach of this provision, and in no event shall Lessee be entitled (i) to set off any such claim against any obligation to pay rent or to make any other payment hereunder, or (ii) to any abatement of rent hereunder.
- (7) Basic Casualty Value of Units: See Attachment A to this Schedule 2.

IN WITNESS WHEREOF, the parties have executed this Schedule as of the 26th day of February, 1993.

IC LEASING CORPORATION II

By: Myles L. Tobin

Title: Assistant Secretary

Date: February 26, 1993

ILLINOIS CENTRAL RAILROAD COMPANY

By: Ronald C. Fane

Title: Vice Pres. & General Counsel

Date: February 26, 1993

ATTACHMENT A

Casualty Value of Units:

<u>Date</u>	<u>Value</u>
01-Mar-93	\$ 318,677
01-Jun-93	\$ 317,998
01-Sep-93	\$ 316,558
01-Dec-93	\$ 314,384
01-Mar-94	\$ 311,858
01-Jun-94	\$ 309,087
01-Sep-94	\$ 305,827
01-Dec-94	\$ 302,132
01-Mar-95	\$ 297,976
01-Jun-95	\$ 293,548
01-Sep-95	\$ 288,658
01-Dec-95	\$ 283,334
01-Mar-96	\$ 277,574
01-Jun-96	\$ 271,488
01-Sep-96	\$ 265,050
01-Dec-96	\$ 258,313
01-Mar-97	\$ 251,494
01-Jun-97	\$ 244,512
01-Sep-97	\$ 237,422
01-Dec-97	\$ 230,195
01-Mar-98	\$ 222,833
01-Jun-98	\$ 215,335
01-Sep-98	\$ 207,702
01-Dec-98	\$ 199,932
01-Mar-99	\$ 191,999
01-Jun-99	\$ 183,904
01-Sep-99	\$ 175,672
01-Dec-99	\$ 167,278
01-Mar-2000	\$ 158,720
01-Jun-2000	\$ 150,000

STATE OF NEVADA)
)
COUNTY OF CLARK)

On this 26th day of February, 1993, before me personally appeared Myles L. Tobin, to me personally known, who being duly sworn, did depose and say that such person is Assistant Secretary of IC Leasing Corporation II and that the foregoing Schedule No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.



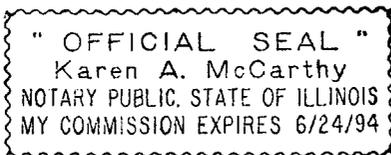
ROGER SCIME
Notary Public - Nevada
Clark County [Seal)
My appt. exp. Nov. 13, 1996



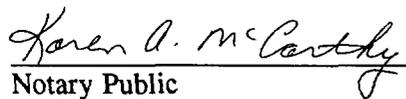
Notary Public

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On this 26th day of February, 1993, before me personally appeared Ronald A. Lane to me personally known, who being duly sworn, did depose and say that such person is Vice President and General Counsel of Illinois Central Railroad Company and that the foregoing Schedule No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.



[Seal)



Notary Public