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January 26, 1993

SUITE 406
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WASHINGTON, D. C. 20036
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3-027A003

18107

JAN 27 1993 - 1:30 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED
JAN 27 1993
1:30 PM

MICHAEL DOWNEY RICE
COUNSEL

Interstate Commerce Commission
Washington, D.C.
Attention of Secretary

Dear Sirs:

We enclose the original and one copy of the document described below, to be recorded pursuant to section 11303 of Title 49 of the United States Code.

This document is an equipment lease, a primary document, dated as of January 1, 1993.

The name and addresses of the parties to the document are as follows:

Lessor: State Street Bank and Trust Company of Connecticut, National Association, as trustee
750 Main Street
Hartford, Connecticut 06103

Lessee: Blue Mountain Railroad, Inc.
123 South Walnut Street
Coffeyville, Kansas 67337

A description of the equipment covered by the document follows:

Four General Motors model GP35L diesel-electric locomotives, bearing the marks UP and the numbers 784, 790, 792, and 799.

110144.1

C. Downey Rice
L. Downey Rice

REBOLLE THURAY HWT MAYNARD & KATLO

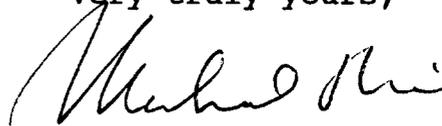
A fee of \$16.00 is enclosed. Please return the copy, marked with your recordation number, to:

James E. Magee, Esq.
Reboul, MacMurray, Hewitt,
Maynard & Kristol
1111 19th Street, N.W.
Suite 406
Washington, D.C. 20036

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

Equipment lease, dated as of January 1, 1993, between State Street Bank and Trust Company of Connecticut, National Association, as trustee, lessor, and Blue Mountain Railroad, Inc., lessee, covering four General Motors model GP35L diesel-electric locomotives.

Very truly yours,



Michael Rice

MR:dp
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

1/27/93

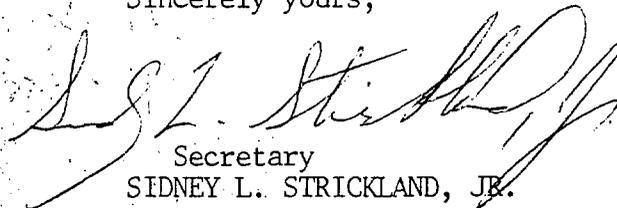
OFFICE OF THE SECRETARY

Michael Rice
Reboul MacMurray, Hewitt Maynard & Kristol
45 Rockefeller Plaza
New York, N.Y. 10111

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 1/27/93 at 1:30pm, and assigned
recording number(s). 18107

Sincerely yours,



Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

Handwritten mark

18107

JAN 27 1993 7:20 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE dated as of January 1, 1993, between (a) STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, acting not in its individual capacity but solely as trustee under that trust agreement dated as of March 15, 1980, among The Connecticut Bank and Trust Company, National Association, General Electric Credit Corporation, and Connell Rice & Sugar Co., Inc. [now known as The Connell Company] (Connell Leasing Company Division) (State Street Bank and Trust Company of Connecticut, National Association, in such capacity, being hereinafter called the Owner-Trustee), and (b) BLUE MOUNTAIN RAILROAD, INC., a Kansas corporation (hereinafter called the Lessee).

SECTION ONE--COMMITMENT TO LEASE

1.1 Lease. The Owner-Trustee agrees to lease to the Lessee and the Lessee agrees to lease from the Owner-Trustee four General Motors model GP35L diesel-electric locomotives, bearing the marks UP and the numbers 784, 790, 792, and 799, all in accordance with the terms and conditions hereof.

1.2 Acceptance. The Owner-Trustee shall deliver or cause to be delivered two of said locomotives to the Lessee at its interchange point with the Union Pacific Railroad Company at Wallula, Washington, on or about January 1, 1993, and the remaining two locomotives to the Lessee at its interchange point with the Union Pacific Railroad Company at Hooper Junction, Washington, on or about January 1, 1993.

Upon acceptance by the Lessee by execution and delivery of a certificate of acceptance substantially in the form of Exhibit A hereto in respect of any locomotive, such locomotive shall be subject to the terms of this lease.

The Owner-Trustee hereby appoints the Lessee its agent to assert and enforce any rights the Owner-Trustee may have against the vendors or manufacturers of the locomotives and the component parts thereof.

1.3 Conditions. The obligation of the Owner-Trustee to lease the locomotives to the Lessee is subject to the receipt, in form satisfactory to the Owner-Trustee, of the following:

- (a) payment of the amount of initial rent contemplated by section 3.2 hereof;

Equipment Lease

(b) evidence that this lease has been recorded with the Interstate Commerce Commission pursuant to section 11303 of Title 49 of the United States Code;

(c) evidence of the insurance required by section 4.4 hereof;

(d) a guaranty of WATCO, Inc. of the obligations of the Lessee hereunder, in form satisfactory to the Owner-Trustee, together with evidence that any consideration for such guaranty shall have been received by WATCO, Inc.;

(e) a certified copy of a resolution of the board of directors of the Lessee authorizing the execution and performance of this lease; and

(f) a certified copy of a resolution of the board of directors of WATCO, Inc., authorizing the execution and performance of the aforesaid guaranty.

SECTION TWO--REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties. The Lessee represents and warrants that:

(a) the Lessee is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Kansas, and has the corporate power and authority to hold property under lease and to enter into and perform its obligations under this agreement;

(b) this lease has been duly authorized, executed, and delivered by the Lessee and is a legal, valid, and binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms;

(c) the assignment of the rights of the Lessee under Section Seven hereof to WATCO, Inc., intended as consideration for the guaranty of WATCO, Inc., referred to in section 1.3 hereof, has been duly authorized, executed, and delivered by the Lessee and accepted by WATCO, Inc., and is a legal, valid, and binding obligation of the Lessee;

(d) the execution, delivery and performance by the Lessee of this lease and said assignment are not inconsistent with or in violation of the Lessee's certificate of incorporation or by-laws, any law, governmental rule or regulation, judgment or order applicable to the Lessee, or any indenture,

Equipment Lease

mortgage, contract or other instrument to which the Lessee is a party or by which it is bound, and do not require the consent, approval or other action by any federal, state, or local governmental body;

(e) there are no actions, suits, or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental body that, if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations hereunder or under said assignment;

(f) the Lessee is not in default under any obligation for the payment of borrowed money, the deferred purchase price of property, or rent under any lease of real or personal property, and no event that, with the lapse of time or the giving of notice or both, would constitute a default under any thereof, has occurred and is continuing;

(g) the Lessee is a common carrier by railroad; and

(h) the balance sheets and the related statements of income and statement of changes in financial position of the Lessee, and of WATCO, Inc., heretofore delivered to the Owner-Trustee, have been prepared in accordance with generally accepted accounting principles and fairly present the financial position of the Lessee or WATCO, Inc., as the case may be, on and as of the date thereof, and the results of its respective operations for the period or periods covered thereby; since the date of such balance sheets and statements, there has not been any material adverse change in the financial condition or results of operations of the Lessee or WATCO, Inc.

2.2 Disclaimer. THE OWNER-TRUSTEE DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE LOCOMOTIVES LEASED HEREUNDER, WHETHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SECTION THREE--TERM AND RENT

3.1 Term. The term of this lease with respect to all the locomotives leased hereunder shall commence on January 1, 1993, and shall expire on December 31, 1995.

This lease cannot be canceled or terminated except as specifically provided herein.

Equipment Lease

3.2 Rent. The Lessee shall pay to the Owner-Trustee, as rent for each locomotive, at the commencement of this lease, and on the last business day of each month, commencing January 29, 1993, and ending on December 31, 1995, the amounts specified in the rent supplement hereto executed by the parties hereto. Such amounts shall be paid in immediately available funds at such place as the Owner-Trustee shall specify.

Any amounts of rent and other payments due hereunder, including amounts payable in respect of loss or default hereunder, not paid when due shall bear interest for the period of time during which they are overdue at the rate of ten per cent per annum.

This lease is a net lease, and the obligation of the Lessee to make the payments of rent and other amounts specified herein is absolute and unconditional and not subject to reduction or set-off for any reason whatsoever.

SECTION FOUR--COVENANTS

4.1 Maintenance and Use. The Lessee shall maintain the locomotives leased hereunder in the same condition as delivered at the commencement hereof, ordinary wear and tear excepted, and shall use and maintain the leased locomotives in compliance with all laws, regulations, and orders of governmental authorities having jurisdiction over the leased locomotives. Any parts installed on the leased locomotives in the course of such maintenance and compliance and improvements thereto (except improvements that can be removed without material damage to the leased locomotives) shall be the property of the Owner-Trustee.

The Lessee shall maintain and preserve the serial numbers and road numbers on the leased locomotives, and shall install and maintain on the leased locomotives any ownership markings requested by or supplied by the Owner-Trustee. The Lessee shall not change the road numbers of the leased locomotives unless, prior to such change, it shall have prepared a statement of new numbers, showing the existing and new numbers for each such locomotive, delivered the same to the Owner-Trustee, and recorded the same in every public office where this lease has been recorded.

THE LESSEE SHALL NOT SELL, TRANSFER, ASSIGN, SUBLEASE, OR OTHERWISE PART WITH POSSESSION OF THE LEASED LOCOMOTIVES, except that the Lessee may permit the use of the locomotives by connecting carriers in run-through service in the ordinary course of the Lessee's business.

Equipment Lease

The Lessee shall not use or permit the use of any leased locomotive outside of the United States of America unless the rights of the Owner-Trustee have been protected, to its satisfaction, by recordation in appropriate public offices in any foreign jurisdiction in which such leased locomotive shall be used.

The Lessee shall not suffer or permit to exist any claim against or security interest in the leased locomotives.

The Owner-Trustee, by its agents, shall have the right to inspect the leased locomotives and the records of the Lessee with respect thereto at any reasonable time.

4.2 Return. Upon the expiration of the term of this lease (unless the Lessee or its assignee shall have exercised the purchase option set forth in Section Seven hereof), the Lessee shall provide storage for the leased locomotives for a period of not less than ninety days, shall permit inspection by the Owner-Trustee or parties designated by the Owner-Trustee, and shall deliver the locomotives to an interchange point for shipment by connecting carriers, at the direction of the Owner-Trustee.

4.3 Loss. The Lessee bears the risk of loss of the leased locomotives. If any of the leased locomotives shall be lost, stolen, destroyed, damaged beyond repair, or rendered permanently unfit for use, the Lessee shall immediately notify the Owner-Trustee and shall, on the next date for the payment of rent with respect to such locomotive, pay to the Owner-Trustee all rents and other amounts due the Owner-Trustee to such date plus the amount specified for such date in the stipulated loss value table included in the rent supplement hereto. Upon such payment, such locomotive shall be no longer subject to the lease, the rent in respect thereof shall be abated, and the Lessee shall be entitled to retain possession of the hulk.

4.4 Insurance. Until the leased locomotives shall have been returned to the Owner-Trustee, the Lessee shall obtain and maintain:

(a) insurance against loss of or damage to the leased locomotives in an amount not less than the amount payable to the Owner-Trustee pursuant to section 4.3 hereof in case of loss of any of the leased locomotives, and

(b) public liability and property damage insurance.

Such insurance shall be in such amounts, in such form, and with such insurers as shall be satisfactory to the Owner-Trustee. Each insurance policy shall name the Owner-Trustee as additional

Equipment Lease

insured and loss payee, shall contain appropriate provisions for waiver of subrogation, shall not be invalidated by any breach of warranty by the Lessee, shall have a statement that the insurance is primary without right of contribution, shall contain appropriate language as to severability of interests, and shall provide for not less than thirty days' prior written notice to the Owner-Trustee of cancellation or material change in the terms of such policy. The Lessee shall furnish to the Owner-Trustee, prior to acceptance of any locomotive hereunder and upon the request of the Owner-Trustee thereafter, a certificate, broker's report, or other evidence of the insurance required to be maintained hereunder with respect to such locomotive.

The proceeds of any insurance against damage to the leased locomotives shall be applied to the repair and restoration thereof. Any such proceeds received in case of total loss of any of the leased locomotives shall be paid to the Owner-Trustee, except that the Lessee shall be reimbursed for payments made by the Lessee in respect of such loss pursuant to section 4.3 hereof.

4.5 Reports. The Lessee shall furnish to the Owner-Trustee, annually and upon request of the Owner-Trustee, financial statements of the same type, scope, and tenor as those furnished in connection with the execution of this lease.

SECTION FIVE--INDEMNITIES

5.1 General Indemnity. The Lessee shall indemnify and defend and hold harmless the Owner-Trustee and the parties for which it is acting as trustee from any and all claims, damages, costs, losses, and liabilities arising out of or relating to the leased locomotives and the purchase, ownership, possession, operation, and use thereof.

5.2 Taxes. The Lessee shall pay directly or reimburse the Owner-Trustee and the parties for which it is acting as trustee for any and all sales, use, property, excise, and other taxes and similar impositions imposed by any governmental body upon this lease, the leased locomotives, the purchase, leasing, ownership, and use thereof, and the rent and other payments payable hereunder, except taxes measured by the net income of the Owner-Trustee or any such party.

SECTION SIX--DEFAULT

6.1 Default. If the Lessee shall

Equipment Lease

(a) fail to make any rent or other payment required hereunder when the same shall become due and such failure continues for a period of five days;

(b) fail to perform any other obligation hereunder and such failure continues for a period of thirty days after notice by the Owner-Trustee;

(c) attempt to remove, sell, part with possession, transfer, sublet or encumber any of the leased locomotives;

(d) make a material misstatement or misrepresentation herein or in any document supplied in connection herewith; or

(e) be generally not paying its debts when they become due, become insolvent, come under the protection of any law relating to bankruptcy or insolvency or otherwise affecting creditors' or lessors' rights, propose any dissolution, liquidation, reorganization, recapitalization or other winding-up of corporate affairs, propose any arrangement, composition, or assignment for the benefit of creditors, or come under the control of a receiver, trustee, custodian, or person with similar powers;

or if

(f) the guaranty furnished in connection herewith shall be or become unenforceable for any reason or

(g) WATCO, Inc. shall be generally not paying its debts when they become due, become insolvent, come under the protection of any law relating to bankruptcy or insolvency or otherwise affecting creditors' or lessors' rights, propose any dissolution, liquidation, reorganization, recapitalization or other winding-up of corporate affairs, propose any arrangement, composition, or assignment for the benefit of creditors, or come under the control of a receiver, trustee, custodian, or person with similar powers;

then the Owner-Trustee may (i) proceed by court action to enforce performance by the Lessee of the applicable provisions of this lease, and (ii) by notice in writing terminate this lease.

If the Owner-Trustee shall have terminated this lease pursuant to the preceding sentence, all rights of the Lessee to the use and possession of the leased locomotives shall immediately cease and terminate, but the Lessee shall remain liable as herein provided. The Lessee, if so requested by the Owner-Trustee, shall promptly return the leased locomotives to the Owner-Trustee or the Owner-Trustee may, by its agents, enter

Equipment Lease

the premises where the leased locomotives are located and take possession of and remove the same. The obligation of the Lessee to return the leased locomotives to the possession of the Owner-Trustee is of the essence of this lease, and the Owner-Trustee shall be entitled to a judgment conferring upon the Owner-Trustee the immediate right to such possession and a decree of specific performance requiring the return of the leased locomotives.

6.2 Damages. The Lessee shall be liable for all damages, costs, and expenses, including attorneys' fees and disbursements, incurred by the Owner-Trustee because of the default by the Lessee of its obligations hereunder, the occurrence of any other event set forth in section 6.1 hereof, and the exercise of the Owner-Trustee's rights with respect thereto. Upon termination of this lease pursuant to section 6.1 hereof, the Lessee shall pay to the Owner-Trustee without further demand an amount equal to

- (a) the accrued and unpaid rent and other payments due hereunder to the date the leased locomotives are returned to the Owner-Trustee,
- (b) the amount payable to the Owner-Trustee upon loss of the leased locomotives pursuant to section 4.3 hereof (subject to the setoff specified below),
- (c) interest on any payments not paid when due to the date so paid, at the rate specified for overdue payments in section 3.2 hereof,
- (d) any damages and expenses that the Owner-Trustee shall have sustained because of the occurrence of any event described in section 6.1 hereof, other than the non-payment of rent, and
- (e) the expenses incurred by the Owner-Trustee in the enforcement of its rights and remedies hereunder.

The Owner-Trustee may retain the use of any of the leased locomotives after return by the Lessee, or with or without recovering possession thereof may sell or lease any of the leased locomotives in a commercially reasonable manner. If any of the leased locomotives shall be sold or leased, the Lessee will be entitled, in mitigation of the damages specified in clause (b) of the second sentence of this section 6.2 in respect of such locomotive, to a credit against such damages (not to exceed the same) equal to the net proceeds of such sale or the net present value of the rents under any new lease (discounted at the rate such new lessee could borrow funds on a secured basis for a term equal the term of such new lease), as the case may be, after deduction from such proceeds or present value all costs and

Equipment Lease

expenses incurred by the Owner-Trustee in exercise of its remedies hereunder. If the Owner-Trustee shall elect to retain any of the leased locomotives, the Lessee will be entitled, in mitigation of the damages specified in said clause (b), to a credit against such damages (not to exceed the same) equal to the then fair market value of such locomotive.

6.3 Remedies not Exclusive; Waiver. The remedies referred to herein are not exclusive but are cumulative and are in addition to any other remedy available to the Owner-Trustee. Any express or implied waiver by the Owner-Trustee of any default by the Lessee, or any failure of or delay by the Owner-Trustee in asserting rights or remedies hereunder in respect of any default, shall not be construed as a waiver of any such rights or remedies with respect to such default or any subsequent default.

SECTION SEVEN--OPTIONS

7.1 Purchase Option. Unless an event specified in section 6.1 hereof shall have occurred and shall be continuing, the Lessee, by 180-days' written notice to the Owner-Trustee, may purchase not less than all of the locomotives then subject hereto at the end of the term hereof for a purchase price equal to one dollar for each such locomotive.

Upon payment of such amount and satisfaction of all obligations of the Lessee hereunder, the Owner-Trustee will convey to the Lessee the locomotives so purchased as is, where is, with no warranties except as to freedom from liens arising from, through, or under the Owner-Trustee.

SECTION EIGHT-MISCELLANEOUS

8.1 Method of Notice. All notices shall be in writing and shall be effective when delivered or three days after deposit in the United States mail, first class postage prepaid, to the address set forth below:

(a) if to the Owner-Trustee, at 750 Main Street, Hartford, Connecticut 06103, attention of Corporate Trust Department, with a copy to General Electric Capital Corporation, 1600 Summer Street, Stamford, Connecticut 06927, attention of Manager--Operations, and

(b) if to the Lessee, at 123 South Walnut Street, Coffeyville, Kansas 67337, attention of President,

or such other address as either party shall furnish by notice.

Equipment Lease

8.2 Indemnities to Survive. The provisions of Section Five shall survive the expiration of the term of this lease.

8.3 Compensation for Owner-Trustee's Performance. The Owner-Trustee may perform any obligation that Lessee fails to perform with respect to any of the leased locomotives, and the Lessee shall compensate the Owner-Trustee for the cost thereof, with interest at the rate set forth in section 3.2 hereof for overdue payments of rent.

8.4 Hypothecation. This lease shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. WITHOUT THE CONSENT OF THE Owner-Trustee, THE LESSEE SHALL NOT SELL, TRANSFER, OR ASSIGN ANY OF THE LEASED LOCOMOTIVES OR ITS RIGHTS THEREIN HEREUNDER, but this shall not prohibit (a) the assignment by the Lessee to WATCO, Inc., of its rights under Section Seven hereof, or (b) the assignment by the Lessee to any railroad company that shall succeed the Lessee or acquire substantially all of its assets, if such successor or acquiring railroad company assumes all of the obligations of the Lessee hereunder.

If the Owner-Trustee assigns this lease and the Owner-Trustee or such assignee (or successor assignee) so notifies the Lessee, to the extent of such assignment (a) all rights of the Owner-Trustee hereunder shall be exercisable by such assignee; (b) the rights of such assignee shall not be subject to any defense, counterclaim, or set-off that the Lessee may have or assert against the Owner-Trustee; and (c) such assignee shall not be or become liable for any obligation of the Owner-Trustee.

8.5 Amendments. The terms of this lease shall not be amended, waived, or modified except by a written instrument executed by the Lessee, the Owner-Trustee, and any assignee of the Owner-Trustee.

8.6 Entire Agreement. This lease and the other documents referred to herein and therein constitute the entire expression of the agreement of the parties hereto, superseding all prior agreements regarding the matters contemplated hereby.

8.7 Law Governing. This lease shall be governed by the law of the State of New York, but the parties hereto shall be entitled to the rights and benefits of Section 11303 of Title 49 of the United States Code.

8.8 Delivery of Financing Statements. This lease or any evidence hereof may be filed in any public office in order to preserve, protect, and perfect the rights of the Owner-Trustee

Equipment Lease

and any assignee of the Owner-Trustee in and to the leased locomotives and the obligations of the Lessee hereunder. The Lessee shall execute and deliver to the Owner-Trustee such financing statements, continuation statements, other appropriate evidence hereof, and other documents of further assurance, and shall take such other action as the Owner-Trustee shall request in order to carry out effectively the intent and purpose of this Lease.

8.9 Recourse. This agreement is being entered into by State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity but solely as trustee under the trust agreement specified in the heading hereof. The undertakings of State Street Bank and Trust Company of Connecticut, National Association, contained herein are made solely for the purpose of binding the trust estate created by said trust agreement, and said bank and trust company shall have no personal liability for any thereof.

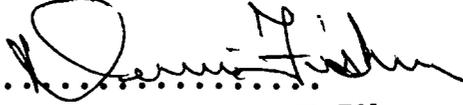
8.10 Invalidity of Provisions. Any provision of this lease that is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such unenforceability and shall not invalidate the remaining provisions hereof.

8.11 Counterparts. This lease may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which together shall constitute a single agreement, but one counterpart or counterpart set delivered to the Owner-Trustee shall be and be marked the "Original" and all the other counterparts shall be and be marked "Duplicate." No security interest or other right in this lease can be created by the transfer of any counterpart or counterpart set other than the original.

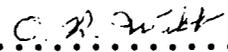
Equipment Lease

8.12 Effectiveness. This lease has been dated the date first above written for convenience of reference, but shall be effective on the date of the last execution hereof, as evidenced by the notary's acknowledgment with respect thereto.

STATE STREET BANK AND TRUST COMPANY OF
CONNECTICUT, NATIONAL ASSOCIATION, not
in its individual capacity but solely
as trustee

by
Title: ASSISTANT SECRETARY

BLUE MOUNTAIN RAILROAD, INC.

by
President

Equipment Lease

STATE OF CONNECTICUT)
)
COUNTY OF HARTFORD) SS.:

On this ^{January} 5th day of December, 1992, before me personally appeared ~~Demetrius S. S. S.~~, to me personally known, who, by me being duly sworn, says that he is ~~Assistant Secretary~~ of State Street Bank and Trust Company of Connecticut, National Association, that the foregoing instrument was signed and on behalf of said association by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

MARYANNE Y. DUFRESNE
NOTARY PUBLIC

Maryanne Y. Dufresne
Notary Public

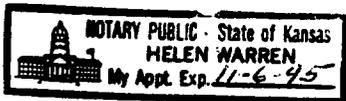
My commission expires MY COMMISSION EXPIRES JUL 31, 1997

STATE OF KANSAS)
)
COUNTY OF) SS.:

On this 31st day of December, 1992, before me personally appeared ~~C. P. S. S. S.~~, to me personally known, who, by me being duly sworn, says that he is President of Blue Mountain Railroad, Inc., that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Helen Warren
Notary Public

My commission expires



Equipment Lease

EXHIBIT A

CERTIFICATE OF ACCEPTANCE

BLUE MOUNTAIN RAILROAD, INC., the lessee under that certain Equipment Lease dated as of January 1, 1993, with State Street Bank and Trust Company of Connecticut, National Association, as trustee, does hereby accept the following locomotives for all purposes of said equipment lease:

<u>Quantity</u>	<u>Description</u>	<u>Road Numbers</u>
Four	General Motors model GP35L	784 790 792 799

Dated:

BLUE MOUNTAIN RAILROAD, INC.

by *C. R. F. [Signature]*
.....
President