

# 985

LEASE

AGREEMENT made and entered into this 1st day of February, 19 72,  
between

UNITED STATES RAILWAY LEASING CO.,  
an Illinois corporation (hereinafter called "United") and

Evans Products Company

a Delaware Corporation

RECORDATION NO. 6547 Filed & Recorded

MAR 30 1972 - 1 55 PM

(hereinafter called "Lessee")

INTERSTATE COMMERCE COMMISSION

RECITALS

Lessee desires to lease from United as Lessor certain railroad cars, hereinafter specifically designated, all upon the rentals and terms and conditions set forth in this Lease.

AGREEMENT

It is Agreed:

1. *Lease of Cars.* United agrees to lease to Lessee and Lessee agrees to and does hereby lease from United that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Exhibit "A" attached hereto and by this reference made a part hereof. The Cars covered by this Lease are those which shall be delivered to and accepted by Lessee pursuant to Paragraphs 2 and 3 hereof. The Lease shall become effective as to any Car immediately upon its acceptance pursuant to Paragraph 3 hereof.

2. *Delivery of Cars.* United shall deliver the Cars as promptly as is reasonably possible from time to time in groups of no less than three (3). United's obligations with respect to delivery of all or any part of the Cars are hereby made expressly subject to, and United shall not be responsible for, failure to deliver or delays in delivering Cars due to labor difficulties, fire, delays and defaults of carriers and material suppliers or Car manufacturers, acts of God, governmental acts, regulations and restrictions and any other causes, casualties or contingencies (whether or not of the same character of those hereinabove enumerated) beyond United's control; provided, however, that in no event shall Lessee be obligated to accept delivery of Cars after February 1, 1972. Initial delivery shall be f.o.t. Blue Island, Illinois

From and after acceptance of a Car, Lessee shall be liable for, and shall pay or reimburse United for the payment of, all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of a Car, including specifically, but not exclusively, freight and switching charges for movement to and from United's plant at any time and for any reason.

3. *Condition of Cars - Acceptance.* All Cars delivered hereunder shall be in satisfactory condition for movement in the normal interchange of rail traffic and shall otherwise comply with the description and/or specifications contained in Exhibit "A"; but Lessee shall be solely responsible for determining that Cars are in proper condition for loading and shipment. Within five (5) days after United shall give Lessee notice that some or all Cars are ready for delivery, Lessee may have its authorized representative inspect such Cars at (the point of delivery) (United's plant) (the manufacturer's plant) and accept or reject them as to condition. Cars so inspected and accepted and any Cars which Lessee does not elect to inspect shall upon delivery thereof to Lessee as above provided be conclusively deemed to be accepted and subject to this Lease and to meet all requirements of this Lease.

\*Strike inapplicable material in Paragraph 3.

4. **Use and Possession.** Throughout the continuance of this Lease, so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to each Car and shall use such Car exclusively in its own service for the transportation of building product materials (a) on its own property or lines, or (b) upon the lines of any railroad or other person, firm or corporation in the usual interchange of traffic, provided that (i) all use shall conform to all applicable rules of the Association of American Railroads, governmental authorities, (herein, together with any organization, association, agency or authority, governmental or otherwise, who may, from time to time, perform, assume or be responsible for the functions, duties and authorities, including, without limitation, the promulgation of rules and the establishment of rates and standards, being herein called the "AAR") and to the terms and conditions of this Lease, (ii) at all times the Cars shall be used only in the Continental limits of the United States of America or in Canada and in a careful and prudent manner solely for the purposes and in the manner for which they were designed, and (iii) without the written consent of United, the Cars shall not be used in unit-train service or in any service in which more than ten per cent (10%) of the Cars are part of any train.

5. **Term - Average Date.** This Lease shall be for a term (hereinafter referred to as the "original term") which shall commence on the date of delivery by United of the first Car, as provided in Paragraph 2 hereof, and shall terminate fifteen (15) years from the Average Date of Delivery unless sooner terminated in accordance with the provisions of this Lease. The Average Date of Delivery shall be determined after delivery of the Cars as follows,

(a) multiply the number of Cars delivered by United on each day by the number of days elapsed between such day and the date of delivery of the first Car hereunder, then add all of the products so obtained and divide by the total number of Cars so delivered; the quotient rounded out to the nearest whole number shall be added to the date of delivery of the first Car, and the resulting date shall constitute the Average Date of Delivery;

(b) the date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the Lessee, as specified in Paragraph 2. A Car shall be conclusively deemed delivered to the Lessee on the earliest date shown on either of the following: (i) a delivery receipt or other writing acknowledging delivery of a Car signed by the Lessee; or (ii) a bill of lading showing delivery to Lessee or to a railroad for the account of Lessee.

6. **Rental.** (a) Per Car. During the original term of this Lease, Lessee shall pay to United for each Car, commencing on the date of delivery thereof a rental of \$ 255.00 per Car per month.

(b) Adjustment. The rental provided in Paragraph 6(a) is comprised of a "Constant Factor" of \$ 217.50 plus a "Maintenance Factor" determined as follows: the Maintenance Factor shall initially be \$ 37.50 per Car per month, which amount is based upon a per hour general labor rate established by the Association of American Railroads ("AAR"), of \$ 10.13 (the "Basic Rate") in effect as at the date hereof for freight car repair operations. If the AAR general labor rate established and in effect upon the expiration of each sixty (60) month period from and after the date hereof (the "Prevailing Rate") shall differ from the Basic Rate, the Maintenance Factor shall be adjusted to be the product obtained by multiplying the initial Maintenance Factor by a fraction, the numerator of which is the Prevailing Rate and the denominator of which is the Basic Rate; and the per Car rental shall be revised to be the sum of the Constant Factor and the adjusted Maintenance Factor. Any such adjustment shall be instituted by written notice ("Adjustment Notice") from United to Lessee and shall take effect with respect to rents coming due next after the date of such notice, provided however, that no adjustment shall be made which would reduce the Maintenance Factor below the initial Maintenance Factor. Notwithstanding the foregoing, if Lessee shall be served with an Adjustment Notice having the effect of increasing the rents thereafter payable hereunder, Lessee may, in lieu of paying such increased rents, elect by notice in writing to United ten (10) days after receipt of an Adjustment Notice to itself perform or cause to be performed all Repair Work to Cars as defined in and required by Paragraph 9(a) and (b) hereof, and upon such election, the rents thereafter payable per Car shall be and remain only in the amount of the Constant Factor; and Lessee shall thereafter be obligated, at its own expense, to perform, or cause to be performed, all such Repair Work, and United shall be released from and indemnified against all responsibility, cost and expense therefor.

(c) Mileage Credits. If at any time during the continuance of this Lease any of the Cars are in such service that United earns mileage payments therefor, then any mileage payments paid or allowed by railroads on the Cars shall be the property of United, but United shall credit the mileage payments actually received by it (less any taxes due or to become due from United on account thereof, other than income taxes) to a mileage payment account maintained by United in respect to this Lease. Payments recorded in such account shall be offset pro tanto

against and only against rental then or thereafter due from Lessee under this Lease to the extent that the mileage payment received for an "accounting period" exceeds the rental payable for such period. The term "accounting period" shall mean each period of twelve (12) consecutive months within the term hereof ending on the date and month hereof and any period from the last such twelve (12) month period to the date of expiration or termination of this Lease; provided, however, that the total of the credits to Lessee on account of mileage payments shall not exceed the total rental paid by Lessee during the term hereof and any unused credits shall be cancelled at the end of each accounting period or at the termination of this Lease as to all Cars, whichever shall first occur. Lessee shall so use the Cars that their mileage under load shall be equal to their mileage empty upon each railroad (not having a published exemption therefor in its tariff) over which the Cars shall move, including movement to place of delivery to Lessee hereunder and movement to United upon termination or expiration of this Lease. Upon notice from any railroad, whether received prior to or after termination of this Lease, Lessee shall pay United as additional Rental for all excess empty mileage incurred on Cars at the rate established by the applicable railroad tariff.

7. **Payment.** Lessee shall make payment of all sums due hereunder to United in Chicago funds at the address provided in Paragraph 21 hereof, or such other place as United may direct. Rental payments shall be made on or before the 15th day of each month succeeding the month for which such rental has accrued.

8. **Title.** Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights herein expressly granted to it as Lessee.

**\* United shall pay all bills for any maintenance or repair work performed on the interior bulk-heads and car lining subject to the carrier's right of acceptance provided in AAR Circular No. OT-5 series and by Mileage Tariff 7 series.**

9. **Repairs.** (a) **United.** Except as otherwise provided in this Paragraph 9(a) and (b), United shall be responsible for all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good working order and repair (hereinafter referred to as "Repair Work") in accordance with the requirements (hereinafter all referred to as "Car Requirements") of the interchange rules of the Association of American Railroads covering interchange of freight traffic ("AAR Rules"), the United States Department of Transportation or of any other Federal or State authority having jurisdiction over the Cars which are in effect as at the date hereof or which have been adopted and promulgated as at the date hereof to take effect at a future date. Lessee shall promptly notify United of any required Repair Work of which it has knowledge. United shall have no responsibility hereunder until informed of the need for Repair Work and in no event before the effective date of any presently adopted Car Requirement. United may require Lessee to return Cars for preventive Repair Work and may withdraw from this Lease and terminate this Lease (subject to substitution at United's option as provided in Paragraph 10) with respect to any Car or Cars ("Withdrawn Cars") with respect to which it deems any Repair Work to be unsuitable or uneconomical. \*

(b) **Lessee.** Lessee shall make or cause to be made at its sole cost and expense all Repair Work required by reason of (i) damage or other condition caused by negligence of Lessee or anyone other than a railroad or other party subject to AAR Rules, (ii) damage or other condition caused by loading or unloading of any commodity other than of the kind or in the manner permitted herein, (iii) ordinary wear and tear or damage to interior linings or equipment, or (iv) Car Requirements which have not been adopted or promulgated as of the date hereof.

10. **Substitution of Cars.** United may, at any time and from time to time, replace any Withdrawn Cars or Casualty Cars (as defined in Paragraph 16 hereof) with Cars ("Replacement Cars") of substantially similar specifications and such Replacement Cars shall be deemed to be subject to all terms and conditions of this Lease as if the same had been originally delivered to Lessee at the time and in the place of Cars for which they are substituted. The parties shall execute amendments to this Lease and such other or further documents as may be required by either party hereto to evidence the withdrawal from and termination of this Lease with respect to Withdrawn or Casualty Cars, or to include any Replacement Cars within the terms and provisions of this Lease and of any other document under which United has assigned its rights hereunder, as permitted in Paragraph 19 hereof.

11. **Abatement of Rent.** Rental payments on any Car out of service for Repair Work shall abate from the fifth (5th) day after such Car has been placed in any railroad or car shop for service until such Car or a Replacement Car is delivered to Lessee, to a railroad for the account of Lessee, or is otherwise ready for or is returned to service by Lessee; provided, however, that rental shall not abate on any Car out of service by reason of Repair Work for which Lessee is responsible under Paragraph 9(b) hereof. In the event rental is so abated, then if United so elects and notwithstanding anything contained in Paragraph 5 to the contrary, the original term of this Lease, as determined in Paragraph 5, with respect to all Cars shall be extended for a period of time (but not less than one (1) day) determined by dividing the number of Car days with respect to which rental was so abated by the number of Cars subject to this Lease on what would otherwise have been the last day of the original term hereof.

12. **Taxes.** United shall be liable for and shall pay all federal or state property taxes assessed or levied against the Cars. Lessee shall be liable for and shall pay (i) all federal, state or local sales or use taxes imposed upon the Cars or this Lease, (ii) all taxes, duties or imposts assessed or levied on the Cars or this Lease by a foreign country and (iii) all taxes or other governmental charges assessed or levied upon its interest as lessee of Cars. Lessee shall reimburse United for payment of any taxes levied or assessed upon United for which Lessee is liable hereunder.

13. **Liens.** Lessee shall keep the Cars free from any and all encumbrances or liens, in favor of anyone claiming by, through or under Lessee which may be a cloud upon or otherwise affect United's title, including, but not limited to liens or encumbrances which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease, and Lessee shall promptly discharge any such lien, encumbrance or legal process.

14. **Indemnities -- Patent Covenants.** Except where liability under AAR Rules is imposed on a handling railroad or other party who has agreed to be bound by such Rules, Lessee agrees to indemnify United and save it harmless from any charge, loss, claim, suit, expense or liability which United may suffer or incur and which arises in connection with the use or operation of a Car or Cars while subject to this Lease (but not while in United's shop or possession) and without regard as to how such charge, loss, claim, suit, expense or liability arises, including without limiting the generality of the foregoing, whether the same arise from latent or other defects which may or may not have been discoverable by United or whether the same arises from any loss or damage from or to commodities loaded or shipped in the Cars. United agrees to indemnify Lessee and save it harmless against any charge, loss, claim, suit, expense or liability arising out of or on account of the use or incorporation by United upon delivery of a Car or upon the making of repairs thereto by United, of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of Lessee's specifications. The term United shall mean and include any subsidiary, parent or affiliated corporation for all purposes of this Paragraph 14, provided, however, that Lessee's indemnity shall not include or eliminate any liability expressly assumed by United under its manufacturer's Warranty. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

15. **Use -- Lettering.** Except for renewal and maintenance of lettering which exists when a Car is delivered to Lessee and for additional lettering indicating the rights of any assignee of United or that the Car is leased to the Lessee, or to a sublessee in accordance with demurrage tariffs, no lettering or marking shall be placed upon any of the Cars by Lessee except upon the written direction or consent of United.

16. **Loss, Theft or Destruction of Cars.** In the event any Car is lost or stolen or is destroyed or damaged beyond economical repair ("Casualty Car"), Lessee shall promptly and fully inform United of such occurrence. Except when such occurrence takes place under circumstances which entitle United to payment for such Casualty Car from a handling railroad or other party under and pursuant to AAR Rules, Lessee shall upon demand by United promptly make payment to United in the same amount as would be payable to United under such Rules if a handling railroad was liable for payment thereunder. Lessee shall cooperate with United and take any and all action required to assist and enable United to receive such payment directly from any handling line or other person, firm or corporation bound to make payment under AAR Rules. This Lease shall terminate with respect to any Casualty Car on the date United shall receive notice of such event provided that United shall within forty-five (45) days thereafter receive from Lessee payment of all sums, if any, due from Lessee on account of such Casualty Car for rent, under this Paragraph 16, or otherwise and Lessee shall have no further liability to United hereunder, except such as arises or exists under Paragraphs 6(c), 12, 13 and 14, provided, that as its option, United may substitute a Replacement Car for a Casualty Car, as provided in Paragraph 10 hereof.

17. **Return of Cars.** Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 16 hereof), Lessee shall at its sole cost and expense, forthwith surrender possession of such Car to United free of residue and in good condition, ordinary wear and tear excepted, by delivering same to United at its plant at ~~Blue Island, Illinois, or Washington, Indiana, or Springfield, Oregon.~~ Until the delivery of possession to United pursuant to this Paragraph 17, Lessee shall continue to be liable for and to pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall, in addition, make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred.

18. **Default.** If Lessee shall fail to make any payment required hereunder within twenty (20) days after same shall have become due or shall default or fail for a period of twenty (20) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or a proceeding shall have been commenced by or against Lessee under any bankruptcy laws, Federal or State, or other laws for the appointment of a receiver, assignee or trustee of Lessee or its property, or Lessee shall make a general assignment for the benefit of creditors, then and in any of said events United may at its election terminate this Lease by written notice to such effect, and retake the Cars and thereafter recover any and all damages sustained by reason of Lessee's default in addition to all rental unpaid as of said date or may without terminating the Lease repossess the Cars and relet same, and if, after paying all expenses of retaking and reletting the Cars, the amount so realized will not satisfy the rentals reserved in this Lease, Lessee agrees that it will pay any such deficiency from time to time upon demand from United. The obligation to pay such deficiency or any sum or sums due and unpaid or any damages suffered by reason of Lessee's default hereunder shall survive the termination of the Lease and the retaking of the Cars.

19. **Sublease and Assignment.** The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

(a) Lessee shall have no right to assign or sublease or loan any of the Cars without the written consent of United; provided, however, that Lessee shall have the right to sublease any of the Cars for single trips within the continental limits of the United States to its customers or suppliers where the sole purpose of such sublease is to obtain exemption from demurrage on the subleased Cars. Any such sublease shall be upon terms which are in compliance with the provisions of all applicable AAR requirements, tariffs, regulations, and laws and all terms and conditions of this Lease;

(b) all rights of United hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust or other security instrument covering the cars heretofore or hereafter created by United. If United shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee.

The making of an assignment or sublease by Lessee or an assignment by United shall not serve to relieve such party of any liability or undertaking hereunder nor to impose any liability or undertaking hereunder upon any such assignee or sublessee except as otherwise provided herein or unless expressly assumed in writing by such sublessee or assignee.

20. **Opinion of Counsel.** Upon the request of United or its assignee at any time or times, Lessee will deliver to United an opinion of counsel for Lessee, addressed to United or its assignee in form and substance satisfactory to counsel for United, or its assignee, which opinion shall be to the effect that:

(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has corporate power to and has taken all corporate action necessary to validly enter into this Lease and carry out its obligations thereunder;

(b) this Lease has been duly executed on behalf of Lessee and constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

(c) the Cars which are then subject to the Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under Lessee, and all of the Cars were, upon delivery to Lessee, in condition satisfactory to Lessee and were accepted by Lessee in accordance with the terms of this Lease;

(d) neither Lessee nor its counsel know of any requirement for recording, filing or depositing of this Lease, other than with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act, which is necessary to preserve or protect the title of United or its assignee in the United States of America; and

(e) no governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part of Lessee in connection with this Lease or any action contemplated on its part thereunder.

21. **Notice.** Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when made in writing, forwarded registered United States mail, return receipt requested, postage prepaid, addressed to:

United at: Suite #282, 2200 East Devon Avenue,  
Des Plaines, Illinois 60018

Lessee at: 1121 S. W. Salmon Street  
Portland, Oregon

or at such other address as either party may from time to time designate by such notice in writing to the other.

22. **Warranty – Representations.** United makes no warranty or representation of any kind, either expressed or implied, as to any matter whatsoever, including specifically but not exclusively, merchantability, fitness for a particular purpose extending beyond the description in Exhibit A, or the design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder; and United shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential on account of any matter which might otherwise constitute a breach of warranty or representation. United agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any Cars or parts therefor and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights. Lessee represents that all of the matters set forth in Paragraph 20(a) through and including (e) shall be and are true and correct at all times that any Car becomes subject to this Lease.

23. **Governing Law – Writing.** The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

24. **Counterparts.** This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be evidenced by any such signed counterpart.

25. **Severability – Waiver.** If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of United to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

26. **Terminology.** In construing any language contained in this Lease, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

27. **Benefit.** Except as otherwise provided herein the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties and their successors and assigns (to the extent permitted in Paragraph 19 hereof). Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 14 hereof shall apply to and inure to the benefit of any assignee of United, and if such assignee is a trustee under an indenture under which notes of United have been issued in connection with the financing of the Cars, then to any holder of such notes.

28. **Recording.** Lessee agrees that it will join in the execution of a memorandum or short form of this Lease for the purposes of recordation under Section 20(c) of the Interstate Commerce Act or such other recordation as United deems appropriate. Said memorandum or short form of lease shall describe the parties, the Cars being leased and the term of this Lease including any options to extend and shall incorporate the Lease by reference.

IN WITNESS WHEREOF, United and Lessee have duly executed this Lease as of the day and year first above written.

UNITED STATES RAILWAY LEASING CO.  
an Illinois corporation

By *Ra Bell*  
*VICE* President

ATTEST:

*Paul R. Cook*  
Secretary

Evans Products Company

a Delaware Corporation

By *Donald Owen*  
*VICE* President

ATTEST:

*Herbert W. Park*  
Secretary

STATE OF ILLINOIS }  
COUNTY OF COOK } ss

On this 13th day of March, 1972, before me personally appeared R. E. Bell to me personally known, who being by me duly sworn, says that he is VICE-President of the United States Railway Equipment Co., and Paul R. Leak, to me personally known to be the Secretary of said 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Marjorie Zander*  
Notary Public

My Commission Expires June 11, 1975

STATE OF Illinois }  
COUNTY OF Cook } ss

On this 16th day of March, 1972, before me personally appeared Donald O. Hillman to me personally known, who being by me duly sworn, says that he is President of ~~United States Railway Equipment Co.~~ and Herbert W. Park to me personally known to be the Secretary of said 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Marjorie Zander*  
Notary Public

My Commission Expires June 11, 1975

EXHIBIT "A"

Lease dated February 1, 19 72, by and between United States Railway  
Equipment Co., ("United") and Evans Products Company ("Lessee")

TYPE OF CAR: 52' 5" RBL 70-ton Insulated Box Car

New

Used

NUMBER OF CARS:

One Hundred and Three (103)

\*REPORTING NUMBERS AND MARKS:

USLX 10550-10588, 10590, 10640-10647, 10649-10701,  
10732, 10733

SPECIFICATIONS DESIGNATED BY LESSEE: 52' 5" RBL Box Cars equipped with 70-ton  
capacity roller bearing trucks, 16' double plug doors and 20" cushion  
underframes. Cars also include a dual air pak interior restraining  
device.

\*When United's reporting marks are specified, this Lease is subject to the granting of all neces-  
sary consents to such use by carrier, AAR, or any other approval now or hereafter required by  
tariff, AAR rules, or applicable laws and regulations.

EXHIBIT "B"

Lease dated February 1, 1972, by and between United States Railway Equipment Co., ("United") and Evans Products Company ("Lessee")

CERTIFICATE OF INSPECTION AND ACCEPTANCE

....., 19.....

United States Railway Equipment Co.  
105 West Adams Street  
Chicago, Illinois 60603

Gentlemen:

The undersigned, being a duly authorized inspector for Lessee, hereby certifies that he has made an inspection of One Hundred and three (103) Cars bearing numbers as follows:

USLX 10550-10588, 10590, 10640-10647, 10649-10701, 10732, 10733

or has, on behalf of Lessee, elected to forego such inspection all as provided in the Lease, and hereby accepts such Cars for the Lessee pursuant to the Lease; that each of said Cars is plainly marked in stencil on both sides of each car with the words:

UNITED STATES RAILWAY EQUIPMENT CO.  
Lessor

Title to this Car subject to documents recorded  
under Section 20(c) of Interstate Commerce Act.

in readily visible letters not less than three-quarters inches (¾") in height; and that each of said Cars conforms to, and fully complies with the terms of said Lease and is in condition satisfactory to the Lessee.

.....  
Lessee

RECORDATION NO. 6547-A

AUG 19 1975 - 9 10 AM

INTERSTATE COMMERCE COMMISSION

SUBLEASE

WHEREAS, UNITED STATES RAILWAY LEASING COMPANY

("United") and EVANS PRODUCTS COMPANY ("Evans") have hereby entered into that certain lease dated February 1, 1972

("Lease") providing for the lease by United to Evans of 103

USLX 10550 - 10588

cars bearing car reporting marks: USLX 10590

USLX 10640 - 10647

both inclusive; and

USLX 10649 - 10701

USLX 10732 - 10733

WHEREAS, the Lease was recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act as Recordation No. 6547; and

WHEREAS, Evans desires to sublease 50 cars bearing car reporting marks as stated in Exhibit A attached hereto, (the "Sublet Cars") to United and United willing so to do, and upon the terms and conditions herein provided.

NOW, THEREFORE, in consideration of the premises and covenants and conditions herein set forth the parties agree as follows:

1. Evans hereby subleases to United and United hereby subleases from Evans the Sublet Cars for the remainder of the term of the Lease above described.
2. Except as hereinafter provided all of the terms and conditions of the Lease are hereby incorporated herein and by this reference made a part hereof as if United were the lessee and Evans the lessor.
3. United agrees to pay Evans as rental for the Sublet Cars the rental per car per month provided for in the Lease by paying United the amount of said rental due United from Evans as rental for the Cars under the Lease.

Lease by crediting the amount of said rental against the amount due United from Evans as rental for the Cars under the Lease.

4. All other sums due and payable to Evans by reason of Paragraph 2 hereof shall be retained by United and credited against the like amounts due and payable to United under the Lease.

5. United agrees to perform or cause to be performed all Repair Work required to be performed under the Sublease.

6. Nothing in this contract shall constitute a merger of this Sublease or the interests of the parties herein with the Lease or the interests of the parties therein, and this Sublease shall constitute for all intents and purposes a separate and distinct agreement of the parties binding and enforceable in accordance with its particular terms.

UNITED STATES RAILWAY LEASING  
COMPANY

By: *C. Richard Bannay*  
Vice President

ATTEST:

*S. J. Jones*  
Assistant Secretary

EVANS PRODUCTS COMPANY

By: *J. P. Mills*  
Vice President

ATTEST:

*J. W. Johnson*  
Assistant Secretary

STATE OF ILLINOIS )  
                          )     SS  
COUNTY OF COOK    )

On this 11th day of August, 1975, before me personally appeared C. Richard Barney, to me personally known, who being by me duly sworn says that he is Vice President of UNITED STATES RAILWAY LEASING COMPANY, and Fred J. Subemete, to me personally known to be the Asst. Secretary of said 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elfriede M. Rieger  
Notary Public

My Commission Expires June 28, 1978

My Commission Expires My Commission Expires June 28, 1978

STATE OF Illinois )  
                          )     SS  
COUNTY OF Cook    )

On this 12th day of August, 1975, before me personally appeared John A. Helten to me personally known, who being by me duly sworn says that he is Vice President of EVANS PRODUCTS COMPANY, and E. Helten, to me personally known to be the Asst. Secretary of said 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Ellen Jander  
Notary Public

My Commission Expires June 19, 1979

EXHIBIT A

(Inclusive)

USLX 10640 - 10645

USLX 10647

USLX 10649 - 10691