

DEC 2 1975 -10 25 AM

SUPPLEMENT TO EQUIPMENT LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS SUPPLEMENT ("Supplement") to that certain Equipment Lease Agreement as of November 24, 1975 (the "Lease") between GREYHOUND LEASING & FINANCIAL CORPORATION ("Lessor") and UNITED STATES RAILWAY LEASING COMPANY ("Lessee"), is made and entered into as of November 24, 1975.

W I T N E S S E T H:

WHEREAS, Lessor and Lessee did enter into the aforesaid Lease to govern the leasing of 100 new covered hopper Cars; and

WHEREAS, Lessor and Lessee have agreed to certain modifications and additional terms and conditions to the Lease, which they desire to set forth herein and incorporate into the Lease;

NOW, THEREFORE, in consideration of the premises and other consideration the sufficiency of which is hereby acknowledged, the parties hereto do hereby mutually agree as follows:

1. Definitions. As used herein, the following terms shall have the following meanings:

(a) "Equipment" shall mean a total of one-hundred (100) new 4750 cubic foot-100 ton covered hopper cars with trough hatch and gravity discharge gates bearing reporting marks ROCK 133100-133199, both inclusive.

(b) "Cost" shall mean and refer to the consideration which Lessor shall be required to expend in the purchase of the Equipment in order to purchase the same; and

(c) "Vendor" shall mean the seller of the Equipment to Lessor for purposes of lease to Lessee, which shall be U.S. Railway Mfg. Co.

2. Purchase and Leasing of Equipment. As and when the various cars comprising the Equipment are delivered by the Vendor to the Lessee (which for purposes of acceptance shall

be deemed to be the agent of Lessor), Lessor agrees to purchase the same directly from Vendor, provided that Lessee is satisfied with the delivery and the condition of said Equipment, and provided further that the conditions enumerated in paragraph 12 of this Supplement shall have been fulfilled. Simultaneously with Lessor's purchase of the Equipment from Vendor, Lessor will commence leasing the same to Lessee, and, in this connection, Lessee agrees to execute Schedules for each batch or group of cars delivered to Lessee, which will serve to appropriate said cars to the Lease and to evidence the commencement of the term of said Lease.

3. Rents and Rental Adjustments. Lessee agrees to pay Lessor, as consideration for the leasing of the Equipment, rent, which shall for the Schedule to the Lease be payable in a total of one hundred eighty (180) consecutive monthly installments, each of which shall be payable in advance. Subject to the next sentence of this paragraph 3, each such monthly installment of rent for the Equipment covered on the Schedule to the Lease shall equal 1.007% of Cost of such Equipment. Lessor and Lessee agrees that the cost of each unit of Equipment is \$26,200 plus sales tax, if any.

4. Term. The term of this Lease shall have a duration of fifteen (15) consecutive years commencing with the "Average Date of Delivery" as defined in Paragraph 9 of the Schedule. Such term shall not be subject to premature termination by either party hereto, except that in the event of a default under the Lease by Lessee, Lessor shall be entitled to terminate said term in accordance with the default provisions of the Lease.

5. Purchase Option. At the expiration of the fifteen (15) year term of the Lease, or at the expiration of any renewal period, if the option under paragraph 6 shall have been exercised, Lessee shall be entitled to purchase the Equipment from Lessor at a price equivalent to its then fair market value, PROVIDED THAT (i) Lessee shall not then be in default under the Lease, (ii) Lessee shall exercise this option as to all of the Equipment then under the Lease, and (iii) Lessee shall have afforded Lessor with at least six (6) months, but not more than one (1) year's, prior written notice of its election to exercise this option.

W
R

6. Renewals. At the expiration of the fifteen (15) year term of the Lease, Lessee shall be entitled to renew said term for a period of time equal to five (5) years at rentals equivalent to the then fair rental value of the Equipment, which shall also be payable monthly in advance, PROVIDED THAT the same conditions precedent to the valid exercise of the purchase option contained in paragraph 5 hereof shall have been fulfilled. At the expiration of this five (5) year renewal period, Lessee shall again have the option to renew the term of this Lease as to the Equipment for an additional period of five (5) years upon the same terms (i.e., fair rental value of the Equipment payable monthly in advance) and conditions.

7. Federal Tax Benefits.

A. Definitions. As used herein, the following terms shall be accorded the following meanings:

(1) "IRC" shall mean the Internal Revenue Code of 1954, as amended;

(2) "ITC" shall mean the credit against Federal income taxes which are imposed by the IRC, which credit emanates from the purchase of, or investment in, certain depreciable property pursuant to the provisions of Section 38 et seq. of the IRC;

(3) "Depreciation" shall mean the most favorable depreciation benefits allowable to Lessor as a deduction for Federal income taxes on account of the ownership of certain depreciable property by virtue of Section 167 of the IRC and Regulations issued pursuant thereto;

(4) "Tax Benefits" shall mean both (i) ITC and (ii) Depreciation; and

(5) "Determination" shall have the meaning accorded to said term by virtue of Section 1313 of the IRC.

B. Tax Benefits. Lessor confirms to Lessee, and Lessee acknowledges, that Lessor shall be the party entitled to claim the Tax Benefits presently available under applicable provisions of the IRC on Lessor's purchase and ownership of the Equipment purchased and leased hereunder, and therefore, Lessee agrees that it (i.e., Lessee) shall not be entitled to, nor will it claim, such Tax Benefits. Lessor confirms that its taxable year is the calendar year.

C. Indemnification. In the event of a change in the tax laws subsequent to the date of execution of this Lease, but prior to the date of purchase by Lessor of any affected Equipment, if such change has an adverse effect upon Tax Benefits herein granted to, and claimed by, Lessor, or in the further event that, subsequent to the purchase of the Equipment, Lessor should not be able to take advantage of the Tax Benefits, or any part thereof, on account of any act or omission on the part of Lessee causing loss of such Tax Benefits, or on account of the Equipment's being used or placed into service prior to Lessor's purchase thereof, then Lessee agrees to restore Lessor to the same after-tax financial position it would otherwise enjoy had such Tax Benefits not been lost in the first instance, by paying to Lessor the sum of (i) the amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such sum under the laws of any federal, state or local government or taxing authority in the United States, or under the laws of any taxing authority or any government subdivision of any foreign country, would be equal to the amount of the Tax Benefits so lost, and (ii) the amount of any interest (including any additions of tax because of underpayment of estimated tax) which may be payable to the United States government by Lessor in connection with such loss of Tax Benefits; provided, however, that Lessor shall be solely responsible for the preparation and filing of all documents, forms and elections necessary to its obtaining and enjoying the Tax Benefits and Lessee shall cooperate with Lessor and execute all documents, forms and elections requiring Lessee's signature which are submitted to it by Lessor.

D. Indemnification Payment Date. In the event that Lessee becomes obligated to pay Lessor any sum or sums pursuant to the provisions of Paragraph 7 of this Supplement, then such sum or sums shall become due and payable thirty (30) days after the time at which there shall be a determination that Lessor shall no longer be eligible to claim or retain the Tax Benefits or any portion thereof.

8. Representations and Warranties of Lessee. Lessee hereby represents and warrants to Lessor as follows:

(a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, and is duly qualified to do business and in good standing as a foreign corporation in every jurisdiction in which the nature of its business requires such qualification.

(b) Lessee has taken all corporate action which may be required by its Charter or Articles or Certificate of Incorporation and its By-Laws, and by the laws of its state of incorporation and all other applicable laws, to authorize the execution, delivery and performance of the Lease.

(c) The execution and delivery of the Lease and the performance by Lessee of its obligations hereunder will not conflict with or violate any provisions of its Charter or Articles or Certificate of Incorporation, its By-Laws, or any provisions of, or result in a default or acceleration of any obligation under, any mortgage, lease, contract, agreement, indenture, other instrument or undertaking, order, decree or judgment to which Lessee is a party or by which it is bound.

(d) There is no litigation pending or threatened against Lessee before any court or administrative agency which may have a materially adverse effect on the assets, business, financial condition or operations of Lessee, or which would prevent or hinder the performance by Lessee of its obligations under the Lease.

(e) The Lease, this Supplement and all other documents executed under, in conjunction with, and pursuant to the Lease, constitute a valid obligation of Lessee, which is binding and enforceable against it in accordance with the terms hereof and thereof.

(f) The financial statements of Lessee that have heretofore been furnished to Lessor in connection with the negotiation of the transaction, which is the subject of this Lease, are true and correct, they present an accurate picture of the financial condition of Lessee, and they are not misleading and do not contain any misstatement or misrepresentation of fact, nor do they omit to state any material facts.

(g) The Lease, Supplement and Schedule and the Sublease referred to in Paragraph 11 hereof, if same shall exist then, have been properly filed with the Interstate Commerce Commission ("ICC") to protect Lessor's ownership interest therein in the United States of America.

(h) Lessee is not in default under the Lease.

(i) Lessee is fully familiar with the terms of the Lease.

9. Lessor's Warranty and Disclaimer. Lessor hereby covenants, warrants and represents that (i) the Equipment shall be owned by it (PROVIDED, HOWEVER, that this provision in no way shall be deemed or construed to preclude or prohibit Lessor from exercising its rights under Paragraph XI of the Lease), (ii) Lessor shall have the right to lease the Equipment to Lessee under the Lease, (iii) the Sublessee referred to in Paragraph 11, if any such shall then exist, shall have the exclusive right to possession and quiet enjoyment of the Equipment for the duration of the term of the Sublease so long as the Sublessee shall not be in default under the Sublease, and (iv) subject to the rights of any Sublessee, Lessee shall have the exclusive right of possession and quiet enjoyment of the Equipment for the duration of the Lease term, so long as Lessee shall not be in

default under the Lease. THE FOREGOING WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, IT BEING UNDERSTOOD AND AGREED THAT LESSOR EXTENDS NO OTHER WARRANTY TO LESSEE. LESSOR SPECIFICALLY AND EXPLICITLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, AND LESSEE AGREES TO ACCEPT THE EQUIPMENT "AS IS". Lessor agrees to assign to Lessee any and all warranties which it receives from the Vendor of the Equipment and, to the extent that any of such warranties are not assignable, Lessee shall be subrogated to any and all the rights which Lessor may have against said Vendor. Notwithstanding anything contained in Paragraph V of the Lease, Lessor agrees that compliance by any Sublessee referred to in Paragraph 11 hereof with the requirements of Paragraph 9 of the Sublease shall constitute full performance by Lessee of any and all requirements of the Lease with respect to repair and maintenance of the Equipment.

10. Default. By way of an addition to paragraph I of the Lease, LESSEE, FOR AND IN CONSIDERATION OF AND AS AN INDUCEMENT TO LESSOR TO ENTER INTO THE LEASE, HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ANY AND ALL RIGHTS TO NOTICE AND/OR HEARING PRIOR TO ANY RETAKING OF POSSESSION OR REPLEVY BY LESSOR, ITS AGENTS OR ASSIGNS UPON DEFAULT OF LESSEE, AND FOR THAT PURPOSE LESSOR MAY, AS FAR AS THE LESSEE CAN GIVE AUTHORITY THEREFOR, ENTER UPON ANY PREMISES ON WHICH THE EQUIPMENT MAY THEN BE SITUATED AND REMOVE THE SAME THEREFROM. LESSOR MAY REQUIRE THE LESSEE TO DELIVER THE EQUIPMENT TO LESSOR AT A PLACE TO BE DESIGNATED BY LESSOR WHICH IS REASONABLY CONVENIENT TO BOTH PARTIES. LESSEE SHALL BE LIABLE TO LESSOR FOR, AND LESSOR MAY RECOVER FROM, LESSEE ALL COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND OTHER LEGAL EXPENSES, INCURRED BY LESSOR IN OBTAINING POSSESSION OF THE EQUIPMENT.

11. Subleasing. Lessor agrees that its consent shall not be required with respect to any Sublease (s) of all or any part of the cars made by Lessee hereunder which is substantially in the form and text attached hereto as Exhibit A. Lessee shall have no right to sublease the cars other than as permitted herein without the written consent of Lessor. Lessee agrees with Lessor not to change, amend, modify or terminate any Sublease without the prior written consent of Lessor. In addition, Lessee agrees to assign, but nevertheless for security purposes only, its interest in any Sublease and its right to receive receivables due and payable thereunder to Lessor under and pursuant to an Assignment in the form and text attached hereto as Exhibit B.

12. Conditions. Lessor's obligation to purchase the Equipment and lease the same to Lessee are contingent upon the fulfillment of the following conditions:

(a) Lessee shall not be in default under the Lease;

(b) There shall not have occurred a material adverse change in Lessee's financial condition, as the

same is reflected in the financials referred to in Section 8(f) above;

(c) Lessor shall have received from Lessee an opinion of Lessee's legal counsel at Lessee's expense to the effect provided in Paragraph 8(a), (b), (c), (e) and (g) that such counsel has no knowledge which would lead it to believe that any of the remaining representations and warranties advanced by Lessee under Section 8 above are not true and correct;

(d) The Vendor of the Equipment shall be ready, willing and able to sell the Equipment to Lessor at a total cost not to exceed Two Million Six Hundred Twenty Thousand Dollars (\$2,620,000), on or before November 28, 1975, such Equipment to be free and clear of any and all liens and encumbrances; such sale shall be evidenced by the execution by Vendor and the delivery to Lessor of a Warranty Bill of Sale for the 100 cars comprising the Equipment, and Lessor shall receive from counsel for Vendor at Vendor's expense a legal opinion confirming that said Bill or Bills of Sale effectively transfer good and marketable title to the Equipment from Vendor to Lessor, subject only to the rights of the Lessee under this Lease and the rights of any sub-lessee under any sub-lease permitted under Paragraph 11 hereof.

(e) Lessor shall receive the unconditional guarantees of Lessee's obligations under the Lease from United States Railway Equipment Co. ("Equip. Co.") the parent corporation of Lessee, and U. S. Railway Mfg. Co., the parent corporation of Equip. Co., and shall also receive from counsel for these two companies at their expense a legal opinion to the effect that said guarantees are subject only to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditor's rights generally, and are binding, valid and enforceable obligations of said companies;

(f) If Lessee shall have entered into a Sub-lease as permitted in Paragraph 11 above, it shall have caused the same to be recorded with the Interstate Commerce Commission, and Lessor shall have received an assignment (for security purposes) of all rentals due thereunder;

(g) Lessee shall be satisfied with the condition of the Equipment, and Lessor shall have received written notification to such effect;

(h) The Equipment shall not have been used or placed into service prior to Lessor's purchase of same, and Lessor shall have received written assurance to this effect; and

13. Credit against Initial Rental. As consideration for Lessor's commitment to purchase the Equipment and lease the same to Lessee as well as purchase other equipment and lease the same to Lessee, all until February 14, 1976, Lessor was paid the sum of \$50,000 ("Commitment Fee"), all as provided in that certain letter agreement by and between the parties hereto dated May 6, 1975 ("Commitment Letter"). In accordance with the terms of the Commitment Letter, \$20,000 of the Commitment Fee shall be applied against the initial rental due hereunder.

14. Consolidation of Lease Transactions and Obligations. Lessee acknowledges that it now has or may hereafter have other lease transactions with Lessor, such other transactions being subject to lease agreements, riders and schedules not part of the documents evidencing this lease transaction. Lessee further acknowledges that Lessor views all such transactions with Lessee as a continuing, single relationship supported by the collective value of all equipment under lease to Lessee. It is therefore acknowledged and agreed by Lessee that, without regard to the number of separate lease agreements, supplements, riders or schedules executed between the parties, a default in the payment of rental due under any lease agreement, including this Lease or any Supplement, Rider or Schedule hereto, not cured within 15 days after receipt of notice of such default shall constitute a default under all lease agreements, this Lease, all supplement riders and schedules, and Lessor may, in its discretion, exercise its right of repossession and/or any and all other remedies available to Lessor as to any and/or all items of equipment, whether a default exists under the individual lease agreement, this Lease and/or any schedule covering the equipment which Lessor

repossesses or takes other action in respect thereto. Notwithstanding anything to the contrary in this Paragraph 14 contained, this Paragraph 14 shall apply as to that certain Equipment Lease and Supplement thereto dated as of March 3, 1975, this Equipment Lease and Supplement and other equipment leases entered into between the parties hereto pursuant to the Commitment Letter.

15. Stipulated Loss Values. Stipulated Loss Values of the Equipment for the term of the Lease shall be that amount that is calculated as the product of Cost of said Equipment times the applicable percentages shown in the table that is contained in Exhibit C hereto.

16. Further Assurances. Both Lessor and Lessee agree from time to time throughout the term of the Lease to execute such additional documents and to perform such further acts as may be reasonably requested by the other party in order to carry out and effectuate the purposes and intents of the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers thereunto duly authorized, as of the date first above written.

UNITED STATES RAILWAY LEASING
COMPANY, Lessee

GREYHOUND LEASING & FINAN-
CIAL CORPORATION, Lessor

By: C. Richard Banning
Vice President

By: Walter H. Humber
Vice President

ATTEST:

ATTEST:

Sheel J. J. J.
Assistant Secretary

Thomas L. Wilmore
Assistant Secretary

STATE OF Illinois)
)
COUNTY OF Cook) SS

On this 24th day of November, 1975, before me personally appeared Walter J. Crowley, to me personally known, who being by me duly sworn says that he is Vice President of Greyhound Leasing & Financial Corporation, and Tom Wilmore, to me personally known to be the Assistant 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.

[Signature]
Notary Public

My Commission Expires: 1/19/76

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

On this 24th day of November, 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 Fukumoto, to me personally known to be the Assistant 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.

[Signature]
Notary Public

My Commission Expires: 1/19/76

LEASE

AGREEMENT made and entered into this as of 15th day of October, 1975, between

UNITED STATES RAILWAY LEASING COMPANY
an Illinois corporation (hereinafter called "United") and

William M. Gibbons, Trustee of the Property of the
CHICAGO ROCK ISLAND AND PACIFIC RAILROAD COMPANY,
Debtor,

(hereinafter called "Lessee")

RECORDATION NO. Filed & Recorded

NOV 19 1975 - 11 00 AM

RECITALS

INTERSTATE COMMERCE COMMISSION

Lessee desires to lease from United as Lessor certain railroad cars, hereinafter specifically designated, all upon the rentals, 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 the Cars (the term "Cars" and other terms used herein are defined in Paragraph 28 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. (Continued in Rider)

2. *Delivery of Cars.* United shall deliver the Cars as promptly as is reasonably possible. United's obligations with respect to delivery of all or any 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 or any other causes, casualties or contingencies beyond United's control; provided, however, that in no event shall Lessee be obligated to accept delivery of Cars after March 31, 1976.

Initial delivery shall be f.o.t. Washington, Indiana, or Blue Island, Illinois,
as United shall designate.

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 at any time and from time to time to and from any repair shops, storage or terminal facilities.

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 initial delivery, Lessee may have its authorized representative inspect such Cars at ~~the point of delivery~~ (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. Lessee shall issue and deliver to United with respect to all Cars accepted, a Certificate of Inspection and Acceptance in the form of Exhibit B.

*Strike inapplicable material in Paragraph 3.

such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), Lessee will promptly pay or reimburse United for same; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgment of United, the rights or interest of United in and to the Cars will be materially endangered. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee will either make such reports in such manner as to show the ownership of such Cars by United or will notify United of such requirements and will make such report in such manner as shall be satisfactory to United.

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.* Lessee agrees to indemnify United and hold it harmless from any loss, expense or liability which United may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession or operation of a Car while subject to this Lease, and without regard as to how such charge, claim, proceeding suit or other event arose, including without limiting the generality of the foregoing, whether it arises from latent or other defects which may or may not have been discoverable by United. 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. Lessee's indemnity shall not eliminate any rights which Lessee may have under any manufacturer's warranty assigned to it pursuant to Paragraph 22. 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. *Lettering - Inventory.* At United's election all cars may be marked with United's name designating it as owner or Lessor and may bear the following inscription: "Title to this car subject to documents recorded under Section 20c of Interstate Commerce Act". Except for renewal and maintenance of the aforesaid lettering or lettering showing the interest of the Lessee, no lettering or marking shall be placed upon any of the Cars by Lessee except upon the written direction or consent of United. United may at its own cost and expense inspect the Cars from time to time wherever they may be, and Lessee shall, upon request of United, but no more than once every year, furnish to United its certified inventory of all Cars then covered by this Lease.

16. *Loss, Theft or Destruction of Cars.* In the event any Car is lost, stolen, destroyed or damaged beyond economic repair, Lessee shall, by notice, promptly and fully advise United of such occurrence. Except where United shall have received payment for such Casualty Car from a handling railroad or other party under and pursuant to Interchange Rules, Lessee shall, within 45 days after demand by United, promptly make payment to United in the same amount as is prescribed in the Interchange Rules for the loss of such Car. This Lease shall continue in full force and effect with respect to any Casualty Car irrespective of the cause, place or extent of any casualty occurrence, the risk of which shall be borne by Lessee; provided, however, that this Lease shall terminate with respect to a Casualty Car on the date United shall receive all amounts and things granted it on account of such Car under this Paragraph 16 and Lessee shall have no further liability to United hereunder except for accrued rent and as such arises or exists under Paragraphs 12, 13 and 14 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 by delivering same to United as such car shop, storage or terminal facility ~~as herein designated~~ by notice to Lessee. Each Car so surrendered shall be in the same or as good condition, working order and repair as when delivered to Lessee, wear and tear from ordinary use and the passage of time excepted, and shall be in need of no Repair Work. Until the delivery of possession to United pursuant to this Paragraph 17, Lessee shall continue to be liable for and shall 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. If United shall so request by notice delivered prior to surrender of possession of such Car as above provided, Lessee shall provide suitable storage for such Car for a period of ninety (90) days from the date of expiration or termination and inform United of the place of storage and the reporting number of the Car there stored. Delivery in storage shall constitute delivery of possession for the purpose of this Paragraph 17 and such storage shall be at the risk of United. Upon termination of the storage period or upon request of United prior thereto, Lessee shall cause the Car to be transported to United as above provided.

at Blue Island,
Illinois, or
Washington,
Indiana,

18. *Default*

See RIDER, Paragraph R-4

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 prior written consent of United; provided, however, that Lessee shall have the right to assign all of its rights under this Lease to another railroad corporation which succeeds to all or substantially all of the business of Lessee, provided such successor shall expressly assume all of the obligations and liabilities of Lessee hereunder.

(b) all rights of United hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part 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 rights of any assignee or any party or parties on behalf of whom such assignee is acting shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever whether arising out of any breach of any obligation of United hereunder or by reason of any other indebtedness or liability at any time owing by United to Lessee. 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.*

See RIDER, Paragraph R-5

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, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

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

Lessee at: 745 South LaSalle Street
Chicago, Illinois 60605
Attention: Treasurer

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 express 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 damages 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 is 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 may 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. **Past Due Payments.** Any nonpayment of rentals or other sums due hereunder, whether during the period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to

pay also an amount equal to ten per cent per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of such overdue sum for the period of time during which overdue and unpaid.

28. Definitions. For all purposes of this Lease the following terms shall have the following meaning:

(a) "Cars" – railroad cars of the type, construction and such other description as is set forth in Exhibit A.

(b) "Interchange Rules" – all codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the American Association of Railroads and any other organization, association, agency, or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

(c) "Average Date of Delivery" – that date which is determined by (i) multiplying 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, and (ii) adding all of the products so obtained and dividing that sum by the total number of Cars delivered and (iii) adding such quotient rounded out to the nearest whole number to the date of delivery of the first Car. 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 any of the following: (i) Certificate of Inspection and Acceptance or other writing accepting 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.

(d) "Repair Work" – All repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good condition, working order and repair (wear and tear from ordinary use and the passage of time excepted), in compliance with Interchange Rules in effect from time to time and complete with all devices, appliances appurtenances and parts with which the Cars were initially equipped or which from time to time may be required by Interchange Rules.

(e) "Casualty Cars" – Cars which are lost, stolen, destroyed or damaged beyond economic repair.

(f) "Replacement Cars" – Cars of substantially similar description and specifications to that set forth in Exhibit A which are substituted for Casualty Cars.

(g) "Present Worth" – An amount equal to the excess of the total remaining rentals over the fair rental value all as determined in Paragraph 18(c), discounted five percent per annum compounded annually.

Continued in Rider, Paragraph R-6.

29. 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 (to the extent permitted in Paragraph 19 hereof) their successors and assigns. 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 or secured party under an indenture under which evidence of indebtedness has been issued in connection with the financing of the Cars, then also to the benefit of any holder of such evidence of indebtedness.

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 17th day of November, 1975, before me personally appeared Ralph E. Bell to me personally known, who being by me duly sworn says that he is Vice President of the United States Railway Leasing Company, and Fred F. [unclear] 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.

Edificio M. Rieger
Notary Public
My Comm. [unclear]

STATE OF _____ }
COUNTY OF _____ } ss

On this 7 day of Nov, 1975, before me personally appeared WILLIAM M. GIBBONS to me personally known, who being by me duly sworn, says that he is the Trustee of the Property of the CHICAGO ROCK ISLAND AND PACIFIC RAILROAD COMPANY, that said instrument was signed and sealed by said Trustee and he acknowledged that the execution of the foregoing instrument was the free act and deed of the said Trustee.

William M. Gibbons
Notary Public

EXHIBIT A

Lease dated October 15, 1975, by and between United States Railway Leasing Company, ("United") and William M. Gibbons, Trustee of the Property of the CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY ("Lessee").

TYPE AND DESCRIPTION OF CAR: New 4750 cu. ft., 100-ton capacity Covered Hopper with trough hatch and gravity discharge gates.

NUMBER OF CARS: One Hundred (100)

INTERIOR EQUIPMENT: None

SPECIAL LININGS: None

PERMITTED LADING USE: Non-corrosive bulk commodities.

REPORTING NUMBERS AND MARKS: ROCK 133100 to 133199, inclusive.

SPECIFICATIONS DESIGNATED BY LESSEE:

Cars are to be painted per Lessee requirements.

EXHIBIT B

Lease dated October 15, 1975, by and between United States Railway Leasing Company ("United") and William M. Gibbons, Trustee of the Property of the CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY ("Lessee").

CERTIFICATE OF INSPECTION AND ACCEPTANCE

_____, 19____

United States Railway Leasing Company
2200 East Devon Avenue
Des Plaines, Illinois 60018

Gentlemen:

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

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 LEASING COMPANY
LESSOR

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

in readily visible letters not less than three-quarters inch (3/4") 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

RIDER consisting of six (6) page(s) attached to and made a part of Lease dated as of October 15, 1975, by and between United States Railway Leasing Company ("United") and William M. Gibbons, Trustee of the Property of the Chicago Rock Island and Pacific Railroad Company, Debtor ("Lessee").

R-1. Lease of Cars (continued from Paragraph 1). In no event shall this Lease become effective prior to its approval and confirmation by the United States District Court, Northern District of Illinois, Eastern Division, or such other Court hereinafter called the "Reorganization Court" having jurisdiction in the Reorganization Proceedings (hereinafter defined in Paragraph 18[g]) of the Chicago Rock Island and Pacific Railroad Company, Debtor.

R-2. Option to Extend. Unless Lessee is in default under the provisions of this Lease, Lessee shall have an option to extend the term of this Lease, upon the same terms and conditions as to all or any portion of the Cars then subject to this Lease by notifying United in writing no less than ninety (90) days and no more than six (6) months prior to the end of the original term. An extension pursuant to this option with respect to any Car shall be for a period (hereinafter referred to as the "extended term") of five (5) years from the end of the original term.

Lessee shall pay to United as rental for each Car during the extended term, from and including the first day following the end of the original term, an amount per Car per month equal to the fair market rental value for the Cars as of the expiration of the original term of this Lease. The fair market rental value of all of the Cars shall be determined by both of the parties and in the event the parties cannot agree then such value shall be determined by arbitration in Chicago, Illinois, pursuant to the rules of the American Arbitration Association. One arbitrator shall be appointed by each party and a third arbitrator shall be appointed by the two arbitrators. In the event rental is determined by arbitration Lessee shall have a period of ten (10) days following notification of the decision of the arbitrators within which to terminate the term of this Lease notwithstanding any provision as to the length of the term contained in Paragraph 5 of the Lease or Paragraph R-2 of this Rider. Such termination shall be effected by written notice to United within the aforesaid ten (10) day period. In the event the fair market rental value has not been agreed upon by the parties or determined by arbitration prior to the expiration of the original term, the parties agree that Lessee shall be obligated to and shall pay rent for the Cars at the rate provided in the original term until the fair market rental value shall be determined. If after determination of the fair market rental value the amount so determined shall be in excess of that paid by Lessee or shall be less than that paid by Lessee and Lessee does not elect to terminate the Lease within the ten (10) day period above provided, the parties shall adjust and account for any overpayment or underpayment.

R-3. Lease or Sublease. Lessee acknowledges that at any time prior to delivery of the first Car hereunder United may, at its election, enter into a sale and leaseback of the Cars from such financing institution as United may elect and that thereafter this document shall constitute a sublease by and between United and Lessee. Lessee acknowledges that in the event of said sale and leaseback United's right, title and interest in the Cars shall be that of a Lessee under and pursuant to its leaseback agreement, copies of which shall have been filed with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and exhibited to Lessee. Lessee further acknowledges that United may assign this sublease to its lessor as security for United's undertakings and obligations under its leaseback agreement; provided, however, that United, Lessee and United's lessor shall have entered into an agreement as a part of said assignment acknowledging that although the rights of Lessee hereunder are subject and subordinate to the rights of United's lessor, Lessee shall be entitled to quiet possession of the Cars so long as Lessee shall not be in default under any of the terms and conditions of this Lease.

R-4. Default (Paragraph 18). The term "event of default" for the purpose hereof shall mean any one or more of the following:

(a) non-payment by Lessee within twenty (20) days after the same becomes due of any installment of rental or any other sum required to be paid hereunder by Lessee;

(b) the Lessee shall default or fail for a period of twenty (20) days in the due observance of performance of any covenant, condition or agreement required to be observed or performed on its part hereunder;

(c) the representations made by Lessee as provided in Paragraph 22 hereof shall at any time during the continuance of this Lease become untrue or incorrect;

(d) this Lease is rejected or the obligations of the Lessee hereunder are not assumed by the Reorganized Company (as that term is hereinafter defined); or the Reorganization Proceedings (as that term is hereinafter defined in subparagraph (g) of this Paragraph 18) are dismissed or otherwise terminated without the adoption of a plan confirming this Lease in all respects;

(e) a petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against any Reorganized Company as hereinafter defined and all the obligations of Lessee under this Lease

shall not have been duly assumed by a trustee or trustees or receiver or receivers appointed in such proceedings or otherwise given the same status as obligations assumed by such trustee or trustees or receiver or receivers within thirty (30) days after such appointment, if any, or sixty (60) days after such petition shall have been filed, whichever shall be earlier; or

(f) any proceedings shall be commenced by or against any Reorganized Company as hereinafter defined for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and all the obligations of Lessee under this Lease shall not have been duly assumed by a trustee or trustees or receiver or receivers appointed for such Reorganized Company or for its property in connection with any such proceedings or otherwise given the same status as obligations assumed by such a trustee or trustees or receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings shall have been commenced, whichever shall be earlier;

(g) the order of the United States District Court for the Northern District of Illinois, Eastern Division, entered in the Reorganization Proceedings authorizing the execution and delivery of this Lease shall be reversed, modified, amended, terminated or superseded in any material respect which might adversely affect the rights, powers, privileges, remedies or obligations of United under this Lease or of any assignee of United's right, title and interest in and under the Lease and the continuance of any such order unstayed and in effect for a period of thirty (30) days from the date of entry thereof.

Upon the happening of an event of default, United at its option may:

(h) proceed by appropriate court action either at law or in equity for specific performance by the Lessee of the applicable covenants of this Lease or to recover from Lessee all damages, including specifically but not exclusively, expenses and attorneys' fees which United may sustain by reason of Lessee's default or on account of United's enforcement of its remedies hereunder;

(i) elect only to terminate the Lessee's right of possession (but not to terminate the Lease) without releasing Lessee in whole or in part from its liabilities and obligations accrued hereunder, or hereafter to accrue for the remaining term of the Lease, and thereupon require Lessee to deliver all such Cars to United at such places as it may designate or to take possession itself, of any or all of the Cars wherever same may be found. United may, but need not, require delivery of the Cars to it or repossess the Cars, but in the event the Cars are delivered to United or are repossessed, United shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. United shall not be required to accept or receive any lessee offered by Lessee, or do any act whatsoever or exercise any diligence whatsoever in or about the procuring of another lessee to mitigate the damages of the Lessee or otherwise. The election by United to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained;

(j) declare this Lease terminated and recover from Lessee all amounts then due and payable plus, as liquidated damages for loss of bargain and not as a penalty, the Present Worth, as of the date of such termination, of the excess, if any, of the total remaining rentals reserved under the Lease from the date of such termination to the expiration date of the then current term of the Lease over the fair rental value of the Cars for such period;

(k) recover or take possession of any or all of the Cars and hold, possess and enjoy the same, free from any right of the Lessee to use the Cars for any purposes whatsoever.

The remedies provided in this Paragraph 18 in favor of United shall not be deemed exclusive but shall, where not by rule of law inconsistent with each other, be cumulative and may be availed of singly, in combination, or all together and in any order, and shall be in addition to all other remedies, in United's favor existing at law or in equity. The Lessee

hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify any of the remedies herein provided to the extent that such waiver is permitted by law.

R-5. Opinion of Counsel (Paragraph 20). Upon the request of United or its assignee at any time or times, Lessee will deliver to United an opinion of counsel for Lessee or counsel designated by him, 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) the Trustee has been and is duly appointed and validly acting as Trustee of the property of the Chicago Rock Island and Pacific Railroad Company, has the power and authority to carry on its business, and by specific order of court has been authorized to execute and deliver this Lease; or alternatively, if, during the continuance of this Lease there shall be a corporation or other entity succeeding to the aforementioned Lessee's interest, that such Lessee is duly organized and validly existing under all applicable laws and that it has full power and right to enter into or assume this Lease and carry out all of Lessee's obligations hereunder;

(b) this Lease constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, and the obligations of Lessee during the continuance of the Reorganization Proceedings for rental and any other sums due or which become due on account of the undertakings and obligations of the Lessee hereunder constitutes an expense of administration;

(c) the rights of United as set forth in this Lease and the title of United to the Cars are free and clear of the lien of any mortgage, security agreement, or other instrument binding on Lessee or in favor of any party claiming by, through or under Lessee or Chicago Rock Island and Pacific Railroad Company, Debtor and all of the Cars which are then subject to the Lease, were, upon delivery to Lessee in condition satisfactory to Lessee and were accepted by Lessee in accordance with the terms of this Lease; provided, that with respect to its opinion as to the satisfactory condition of the Cars, counsel for Lessee may rely upon Certificates of Inspection and Acceptance executed by the duly authorized representative of the Lessee;

(d) no recording, filing or depositing of this Lease, other than with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act

and with the Registrar General of Canada pursuant to Section 148 of the Railway Act, together with required notice of such depositing, is necessary to preserve or protect the title of United or its assignee in the United States of America and in Canada; and

(e) all governmental or other authority or approval necessary, if any, in connection with the execution and delivery of this Lease or the performance of any of Lessee's obligations thereunder has been obtained.

R-6. Paragraph 28 continued --

(h) "Lessee" - William M. Gibbons, Trustee of the Property of Chicago Rock Island and Pacific Railroad Company, Debtor, and not individually as well as any additional or successor Trustee of subject property, and upon assignment and transfer of or succession to the interest of the Lessee to a Reorganized Company, shall mean any such Reorganized Company, as well as any successor and assignee permitted in Paragraph 19 hereof.

(i) "Reorganized Company" - any corporation, including Chicago Rock Island and Pacific Railroad Company, Debtor, or other entity, which acquires substantially all of the property and business of Chicago Rock Island and Pacific Railroad Company upon termination of the trusteeship of the property of the Chicago Rock Island and Pacific Railroad Company and shall include any successor pursuant to Paragraph 19 hereof.



Chicago, Rock Island and Pacific Railroad Company

LA SALLE STREET STATION

CHICAGO, ILLINOIS 60605

LAW DEPARTMENT

~~XXXXXXXX~~

(312) 435-7915

O. L. HOUTS
GENERAL SOLICITOR

November 7, 1975

United States Railway Leasing Company
2200 East Devon Avenue
Suite 282
Des Plaines, Illinois 60018

Dear Sirs:

As counsel for William M. Gibbons, Trustee of the Property of the Chicago, Rock Island and Pacific Railroad Company ("Lessee") I have reviewed and am familiar with the following Lease ("Lease")

October 15, 1975 (100 - 100-ton covered hopper cars ROCK
133100 to 133199

of railroad equipment ("Cars") between United States Railway Leasing Company, as Lessor, and the Lessee and with such matters and proceedings as I have deemed requisite for the rendition of this opinion.

I am of the opinion that:

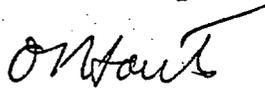
- (a) The Trustee has been and is duly appointed and validly acting as Trustee of the property of the Chicago, Rock Island and Pacific Railroad Company, has the power and authority to carry on its business, and by specific order of court has been authorized to execute and deliver this Lease;
- (b) The Lease constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, and the obligations of Lessee during the continuance of the Reorganization Proceedings for rental and any other sums due or which become due on account of the undertakings and obligations of the Lessee hereunder constitutes an expense of administration;
- (c) The rights of Lessor as set forth in the Lease and the title of Lessor to the Cars are free and clear of the lien of any mortgage, security agreement,

November 7, 1975

or other instrument binding on Lessee or in favor of any party claiming by, through or under Lessee or Chicago, Rock Island and Pacific Railroad Company, Debtor and upon issuance and delivery by Lessee of Certificate of Inspection and Acceptance, as referred to in Paragraph 3 of the Lease, all of the Cars would be upon delivery to Lessee in condition satisfactory to Lessee and would be accepted by Lessee in accordance with the terms of this Lease;

- (d) No 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 and with the Registrar General of Canada pursuant to Section 148 of the Railway Act, together with required notice of such depositing, is necessary to preserve or protect the title of Lessor or its assignee in the United States of America and in Canada; and
- (e) All governmental or other authority or approval necessary, if any, in connection with the execution and delivery of this Lease or the performance of any of Lessee's obligations thereunder has been obtained.

Yours truly,



O. L. Houts

OLH:vf

ASSIGNMENT OF SUBLEASE AND AGREEMENT

THIS ASSIGNMENT OF SUBLEASE AND AGREEMENT made as of this 24th Day of November, 1975 by UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation having its principal office in Chicago, Illinois, (hereinafter called "Assignor") to GREYHOUND LEASING & FINANCIAL CORPORATION, a Delaware corporation having its principal offices in Phoenix, Arizona, (hereinafter called "Assignee").

W I T N E S S E T H:

WHEREAS, Assignor does desire that Assignee purchase a total of one-hundred (100) new hopper railroad cars costing a total of approximately Two Million Six Hundred Twenty Thousand Dollars (\$2,620,000) (hereinafter called the "Cars"), from United States Railway Equipment Co. for purposes of leasing such Cars to Assignor;

WHEREAS, if Assignee is willing to purchase such Cars, and lease the same unto Assignor over a fifteen (15) year term, Assignor does further desire to sublease such Cars to the William M. Gibbons, Trustee of the Property of Chicago, Rock Island Pacific Railroad Company, Debtor (hereinafter called the "Sublessee"), pursuant to a Sublease Agreement (hereinafter called the "Sublease") to be entered into between Assignor, as sublessor, and Sublessee;

WHEREAS, Assignee is willing to purchase such Cars as aforesaid, and to lease the same unto Assignor pursuant to an Equipment Lease Agreement and Supplement thereto (hereinafter called the "Lease") to be entered into between Assignor and Assignee, if, and only if, Assignor will agree to enter into the Sublease with Sublessee in the same format as Exhibit A to the Lease, and will further assign unto Assignee, but nevertheless for security purposes only, Assignor's rights as sublessor in the Sublease with Sublessee;

NOW, THEREFORE, to induce the Assignee to purchase the Cars and lease them to Assignor, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. As security for the full, faithful and timely payment of all rent due under the Lease, Assignor hereby irrevocably assigns, transfers, and sets over unto Assignee

Exhibit B

all of Assignor's right, title and interest in, and to, the Sublease, with respect to the Cars, together with all rights, power, privileges, and other benefits of the Assignor, as sublessor under the Sublease, as they relate to the Cars, including (without limitation) the immediate right to receive and collect all rentals and other sums payable to or receivable by the Assignor, with respect to the Cars, under or pursuant to the provisions of the Sublease, and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of a default or an event of default under the Sublease, with respect to the Cars, and to do any and all other things whatsoever which the Assignor is or may become entitled to do under the Sublease with respect to said Cars.

2. The assignment made hereby is executed only as security for the payment to Assignee by Assignor of all rents and other sums, if any, due under the Lease, and, therefore, the execution and delivery of this Assignment and Agreement shall not subject Assignee to, or transfer, or pass, or in any way affect or modify, the liability of the Assignor as sublessor under the Sublease with respect to the Cars, it being understood and agreed that notwithstanding this Assignment, all obligations of the Assignor to the Sublessee under the Sublease with respect to the Cars shall be and remain enforceable by the Sublessee, its successors and assigns, against, and only against, Assignor.

3. Assignor covenants and agrees that it will perform all of its obligations to be performed under the terms of the Sublease with respect to the Cars, and hereby irrevocably authorizes and empowers Assignee, in its own name, or in the name of Assignor, on the happening of any failure by Assignor to perform any such obligation(s), to perform or cause the same to be performed, at Assignor's expense.

4. Upon the expiration of the term of the Lease, or upon the full discharge and satisfaction of all of the obligations of Assignor, as Lessee under the Lease, the assignment made hereby and all rights herein assigned to Assignee shall cease and terminate, and all estate, right, title and interest of Assignee in and to the Sublease shall revert to Assignor.

5. Assignor hereby warrants and covenants (a) that the Sublease is on file with the Interstate Commerce Commission, is not in default, and based on the opinion of counsel for the Sublessee, is valid, in full force and effect and is enforceable in accordance with its terms (subject only to bankruptcy, insolvency and reorganization laws and other laws governing the enforcement of lessors' or creditors' rights in general), (b) that the execution and delivery of this Assignment and Agreement has been duly authorized, and this Assignment and Agreement are and will remain the valid and enforceable

obligations of Assignor in accordance with their terms, (c) that the Assignor has not executed any other assignment of the Sublease, and its right to receive all payments thereunder with respect to the Cars is and will continue to be free and clear of any and all liens, agreements or encumbrances created or suffered by any act or omission on the part of Assignor, (d) Assignor's principal place of business is situate in Chicago, Illinois, and (e) that notwithstanding this Assignment and Agreement, Assignor will perform and comply with each and all of the covenants and conditions in the Sublease on Assignor's part to be so performed and complied with.

6. Assignor covenants and agrees with Assignee that in any suit, proceeding or action brought by Assignee under the Sublease for any installment of, or interest on, any rental or other sum owing thereunder with respect to the Cars, or to enforce any provisions of such Sublease, the Assignor will save, indemnify and keep Assignee harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim or recoupment whatsoever of the Sublessee thereunder arising out of a breach by Assignor of any obligation in respect of the Cars or such Sublease or arising out of any other indebtedness or liability at any time owing to such Sublessee from Assignor.

7. Assignor will from time to time take such action and execute such documents as Assignee may from time to time reasonably request in order to confirm or further assure and secure the assignment made hereby and the provisions hereof.

8. Assignor agrees that it will not, without the prior written consent of Assignee, enter into any agreement amending, modifying or terminating the Sublease, and any attempted amendment, modification or termination without such consent shall be null and void and of no effect.

9. This Assignment and Agreement shall be governed by the laws of the State of Illinois.

10. This Assignment and Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. Assignor shall cause copies of all notices received in connection with the Sublease to be promptly delivered to Assignee at Greyhound Tower, Phoenix, Arizona 85077, or at such other address as the Assignee shall designate.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers thereunto duly authorized, as of the date first above written.

GREYHOUND LEASING &
FINANCIAL CORPORATION

By _____
Vice President

ATTEST:

Assistant Secretary

UNITED STATES RAILWAY
LEASING COMPANY

By _____
Vice President

ATTEST:

Assistant Secretary

STATE OF)
) SS
COUNTY OF)

On this ____ day of _____, 1975, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is Vice President of Greyhound Leasing & Financial Corporation, and _____, to me personally known to be the Assistant 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.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this ____ day of _____, 1975, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is Vice President of United States Railway Leasing Company, and _____, to me personally known to be the Assistant 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.

Notary Public

My Commission Expires: _____

The undersigned, being the parties described in the foregoing Assignment as the Assignor, Assignee and Sublessee, hereby acknowledge that the Sublease referred to in the Assignment shall be and is at all times subordinate to that certain Lease between Greyhound Leasing & Financial Corporation as Lessor and United as Lessee dated as of November 24, 1975, and covering all of the cars which are the subject matter of the Sublease; provided, however, that Assignee agrees that the Sublessee's right to possession of the Equipment will not be disturbed provided Sublessee shall not be in default in any of the terms and provisions of the Sublease and Assignee shall look solely to the Assignor as Lessee under the Lease for payment or performance of any other sums called for by the Lease or for the performance of any other matters required by the Lease. Sublessee agrees that upon receipt of written notice from the Assignee that an event of default has occurred under the Lease together with a request that all payments due under the Sublease be thereafter made to the Assignee, Sublessee shall make payments accordingly and shall not thereby be deemed in default of any of its undertakings to the Assignor under the Sublease.

UNITED STATES RAILWAY LEASING COMPANY

By: _____
Vice President

ATTEST:

Assistant Secretary

GREYHOUND LEASING & FINANCIAL CORPORATION

By: _____
Vice President

ATTEST:

Assistant Secretary

WILLIAM M. GIBBONS, Trustee of the
Property of Chicago, Rock Island,
Pacific Railroad Company, Debtor

By: _____

STATE OF)
) SS
COUNTY OF)

On this _____ day of _____, 1975, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is Vice President of Greyhound Leasing & Financial Corporation, and _____, to me personally known to be the Assistant 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.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ day of _____, 1975, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is Vice President of United States Railway Leasing Company, and _____, to me personally known to be the Assistant 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.

Notary Public

My Commission Expires: _____

STATE OF)
) SS
COUNTY OF)

On this _____ day of _____, 1975, before me personally appeared William M. Gibbons, to me personally known, who being by me duly sworn, says that he is the Trustee of the Property of the Chicago, Rock Island and Pacific Railroad Company, that said instrument was signed and sealed by said Trustee and he acknowledged that the execution of the foregoing instrument was the free act and deed of the said Trustee.

Notary Public

My Commission Expires: _____

STIPULATED LOSS VALUES

| | |
|---------------------------|---------|
| Beginning of 1st quarter | 100.00% |
| Beginning of 2nd quarter | 102.04% |
| Beginning of 3rd quarter | 102.74% |
| Beginning of 4th quarter | 103.38% |
| Beginning of 5th quarter | 103.95% |
| Beginning of 6th quarter | 104.46% |
| Beginning of 7th quarter | 104.90% |
| Beginning of 8th quarter | 105.29% |
| Beginning of 9th quarter | 105.60% |
| Beginning of 10th quarter | 105.86% |
| Beginning of 11th quarter | 106.05% |
| Beginning of 12th quarter | 106.18% |
| Beginning of 13th quarter | 99.83% |
| Beginning of 14th quarter | 99.83% |
| Beginning of 15th quarter | 99.77% |
| Beginning of 16th quarter | 99.64% |
| Beginning of 17th quarter | 99.45% |
| Beginning of 18th quarter | 99.19% |
| Beginning of 19th quarter | 98.87% |
| Beginning of 20th quarter | 98.49% |
| Beginning of 21st quarter | 93.65% |
| Beginning of 22nd quarter | 92.72% |
| Beginning of 23rd quarter | 91.74% |
| Beginning of 24th quarter | 90.70% |
| Beginning of 25th quarter | 89.61% |
| Beginning of 26th quarter | 88.47% |
| Beginning of 27th quarter | 87.61% |
| Beginning of 28th quarter | 86.71% |
| Beginning of 29th quarter | 84.73% |
| Beginning of 30th quarter | 83.37% |
| Beginning of 31st quarter | 81.96% |
| Beginning of 32nd quarter | 80.50% |
| Beginning of 33rd quarter | 78.99% |
| Beginning of 34th quarter | 77.42% |
| Beginning of 35th quarter | 75.80% |
| Beginning of 36th quarter | 74.13% |
| Beginning of 37th quarter | 72.40% |
| Beginning of 38th quarter | 70.62% |

Exhibit C

EXHIBIT C

STIPULATED LOSS VALUES

| | |
|---------------------------|--------|
| Beginning of 39th quarter | 68.79% |
| Beginning of 40th quarter | 66.90% |
| Beginning of 41st quarter | 64.96% |
| Beginning of 42nd quarter | 62.97% |
| Beginning of 43rd quarter | 60.92% |
| Beginning of 44th quarter | 58.82% |
| Beginning of 45th quarter | 56.67% |
| Beginning of 46th quarter | 54.46% |
| Beginning of 47th quarter | 52.21% |
| Beginning of 48th quarter | 49.89% |
| Beginning of 49th quarter | 47.53% |
| Beginning of 50th quarter | 45.11% |
| Beginning of 51st quarter | 42.64% |
| Beginning of 52nd quarter | 40.11% |
| Beginning of 53th quarter | 37.54% |
| Beginning of 54th quarter | 34.91% |
| Beginning of 55th quarter | 32.22% |
| Beginning of 56th quarter | 29.48% |
| Beginning of 57th quarter | 26.69% |
| Beginning of 58th quarter | 23.85% |
| Beginning of 59th quarter | 20.95% |
| Beginning of 60th quarter | 18.00% |
| After 60th quarter | 15.00% |