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INTERSTATE MORTGAGE COMMISSION

EQUIPMENT LEASE

Dated as of October 28, 1974

Between

TRUST COMPANY FOR USL, INC., as Lessor

UNITED STATES LEASING INTERNATIONAL, INC., as Agent

And

RAIL-U.S. LEASING, INCORPORATED, as Lessee

(RUSL Trust No. 2)

EXHIBIT B
(to Trust Agreement)

EQUIPMENT LEASE

RAIL-U.S. LEASING, INCORPORATED
(RUSL Trust No. 2)

THIS EQUIPMENT LEASE dated as of October 28, 1974 between TRUST COMPANY FOR USL, INC., an Illinois corporation, as Trustee under a Trust Agreement dated as of October 28, 1974 (the "Lessor"), UNITED STATES LEASING INTERNATIONAL, INC., a California corporation, as agent for Lessor (the "Agent") and RAIL-U.S. LEASING, INCORPORATED, a California corporation (the "Lessee").

W I T N E S S E T H:

That for and in consideration of the premises and of the rental to be paid and the covenants hereinafter mentioned, the parties hereby agree as follows:

SECTION 1. TRUST AGREEMENT.

As used herein, the term "Trust Agreement" shall mean the Trust Agreement dated as of October 28, 1974, among The Sanwa Bank of California, a California banking corporation (the "Trustor"), the Lessor and the Agent.

SECTION 2. MANUFACTURE AND DELIVERY OF EQUIPMENT.

2.1. Intent to Lease and Hire. The Lessor is acquiring thirty-eight (38) 100-ton roller bearing truck 4650 cubic foot capacity center flow covered hopper cars, lettered and numbered RUSX 4613 through and including RUSX 4650, and ten (10) 20,000 gallon, Class DOT 111A100W-1 tank cars, equipped with 100-ton trucks, initialed and numbered TGOX 2264 through and including TGOX 2273 (collectively the "Equipment" and individually "Item of Equipment") and listed in Schedules 1-a and 1-b attached hereto and made a part hereof and, upon delivery of the Equipment by ACF Industries, Incorporated (hereinafter referred to as the "Manufacturer"), the Lessor shall lease and let the Equipment to the Lessee and the Lessee shall hire the Equipment from the Lessor for the rental and on and subject to the terms and conditions herein set forth.

2.2. Inspection and Acceptance. Upon delivery of each Item of Equipment by the Manufacturer, the Lessee will inspect such Item of Equipment and if such Item of Equipment tendered for delivery appears to meet the specifications, the Lessee will accept delivery thereof and execute and deliver to the Lessor a certificate of acceptance with respect thereto substantially in the form of Exhibit A attached hereto and made a part hereof (a "Certificate of Acceptance").

2.3. Certificate of Acceptance. The Lessee's execution and delivery to the Lessor of the Certificate of Acceptance with respect to each Item of Equipment shall conclusively establish that, as between Lessor and Lessee, but without limiting or otherwise affecting Lessee's rights, if any, against the Manufacturer, each Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that each Item of Equipment is in good order and condition and appears to conform to the specifications applicable thereto and all applicable United States Department of Transportation and the Interstate Commerce Commission requirements and specifications, if any. The Lessee represents that it has no knowledge of any such defect as of the date of such acceptance.

2.4. Purchase of Equipment by Lessee and Termination of Lease under Certain Circumstances. Lessor and Lessee hereby agree that each such party has entered into this Lease in anticipation that (i) Lessor will, on or prior to June 30, 1975, complete arrangements for the long term borrowing from an institutional lender ("Lender") of, a principal amount equal to 73.1633% of Lessor's Cost of the Equipment. The term "Lessor's Cost" shall mean the aggregate of Lessee's invoice cost to the Trustee and Manufacturer's invoice cost to the Trustee of the Equipment. In the event that for whatsoever reason, a loan agreement providing for such borrowing has not been entered into between the Lender and the Trustee and the Agent, on or prior to June 30, 1975, (the "Term Loan Closing Date") then the transaction contemplated by the Trust Agreement, the Acquisition Agreement and this Lease shall be deemed rescinded, and in the event of such rescission, Lessee shall be unconditionally obligated to purchase and accept all of Lessor's right, title and interest in and to the Equipment on June 30, 1975, at a price equal to the sum of (x) the amount of the investment of Trustor made in accordance with Section 5(a) of the Trust Agreement plus interest thereon at the rate of 14% per annum for the period from and including the date of such advance to but not including the date of such purchase, plus (y) the amount borrowed by Lessor from Penn Central Mutual Associates (the "Interim Loan") on the Interim Closing Date (as defined in the Trust Agreement) plus interest thereon at the rate of 11% per

annum for the period from the Interim Closing Date to but not including the date of such purchase. Upon the payment of such purchase price all obligations of Lessee to pay Interim Rent (as hereinafter defined) and Fixed Rent (as hereinafter defined) shall cease and terminate. Upon such purchase of Lessor's right, title and interest in and to the Equipment, Lessor shall (i) deliver evidence to Lessee that Trustor has (to the extent permitted by law) exercised the election provided by Section 48(d) of the Internal Revenue Code, as amended, to treat Lessee as having acquired the Equipment, and (ii) assign to Lessee all of its right, title and interest in and to the Equipment, but without warranty, representation or recourse of any nature whatsoever. Any cost, expense or sales, transfer, license, registration or other similar tax incurred by Lessee, Lessor or Trustor in connection with such purchase in accordance with this Section 2.4 shall be paid by Lessee and neither Lessor nor Trustor shall have any duty or obligation with respect to such purchase, except as expressly provided herein.

SECTION 3. LEASE TERM.

The term of this Lease shall begin on the Interim Closing Date and shall terminate, subject to any express provision herein to the contrary, 18 years after the Term Loan Closing Date (the "Initial Term").

SECTION 4. RENTALS AND PAYMENT DATES.

Lessee agrees to pay Lessor the following rents for the Equipment:

4.1. Lessee agrees to pay Lessor interim rent for the Equipment at the rate of .030556% of the Interim Loan per day for the period commencing from and including the Interim Closing Date to but not including the Term Loan Closing Date (the "Interim Daily Rent"). The Interim Daily Rent will be paid on the Term Loan Closing Date.

4.2. Lessee hereby agrees to pay Lessor fixed rent for the Equipment in seventy-two consecutive installments, payable quarterly in arrears, commencing September 30, 1975 (such payment dates being hereinafter called the "Fixed Rent Payment Dates"), each equal to 2.57% of Lessor's Cost (the "Fixed Rent"); provided, however, that should the rate of interest payable on the Note (as defined in the Trust Agreement) vary from 11-1/2% per annum, the Fixed Rent shall be adjusted by amendment to this Lease in accordance with Section 12.3 of the Trust Agreement, so that the return to the Trustor hereunder and in accordance with the terms of the Trust Agreement shall equal that which the Trustor would obtain were the interest rate on the Note 11-1/2% per annum.

4.3. All payments provided for in this Lease to be made to the Lessor shall be made to the Lessor at 1211 West 22nd Street, Oak Brook, Illinois 60521, or at such other place as the Lessor or its assigns shall specify in writing.

4.4. This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent or reduction thereof, including, but not limited to, abatements or reductions due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise, or against the Trustor nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, the taking or requisitioning of the Equipment by condemnation or otherwise, the lawful prohibition of the Lessee's use of the Equipment, the interference with such use by any private person or corporation, any strike or other labor dispute, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 12 hereof, or until, pursuant to Section 14 hereof, the Equipment is placed and ready for delivery to Lessor, or is stored for the Lessor, or is enroute to delivery to the Lessor.

SECTION 5. OWNERSHIP AND MARKING OF THE EQUIPMENT.

5.1. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and the possession and use thereof by the Lessee.

5.2. The Lessee shall cause each Item of Equipment to be kept numbered with its road number as set forth in Schedule I hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"Leased from Trust Company for USL, Inc., Lessor and
as Trustee for The Sanwa Bank of California
and subject to a Security Interest recorded with the I.C.C."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 17 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any

control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

5.3. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership, provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification.

5.4. The Lessee shall indemnify the Lessor, the Agent, the Trustor under the Trust Agreement, and any assignee under Section 17 hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the Equipment with such name, initials or insignia.

SECTION 6. DISCLAIMER OF WARRANTIES.

AS BETWEEN LESSOR, LESSEE AND TRUSTOR, LESSOR LEASES THE EQUIPMENT AS-IS, WITHOUT WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, OR (D) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR, THE LESSEE AND THE TRUSTOR ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the Manufacturer in respect thereof.

SECTION 7. LESSEE'S INDEMNITY.

7.1. The Lessee shall defend, indemnify and save harmless the Lessor, the Agent and the Trustor and their successors and assigns from and against:

(a) any and all loss or damage of or to the Equipment, usual wear and tear excepted, and

(b) any claim, cause of action, damages or liability, cost or expense (including counsel fees and costs in connection therewith) which may be incurred in any manner or by or for the account of any of them (i) relating to the Equipment or any part

thereof, including without limitation the purchase, delivery, installation, ownership, leasing or return of the Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessor or by the Lessee), (ii) by reason or as the result of any act or omission of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent infringements, or (iv) as a result of negligence or strict liability in tort.

7.2. If, with respect to any Item of Equipment, the Trustor shall lose, or shall not have or shall lose the right to claim, or there shall be disallowed all or any portion of the investment tax credit referred to in the ruling request described in Section 5(c) of the Trust Agreement or the Trustor shall lose, or the Trustor shall not have or shall lose the right to claim, or there shall be disallowed, any depreciation deduction in reporting its taxable income for any year during which this Lease is in effect, which investment credit and/or depreciation benefits would have been allowable pursuant to such ruling request or ruling whether or not it is obtained, or the rate, manner or basis of taking such depreciation deduction which would have been so allowable shall be changed or affected in whole or in part or to any extent by reason of any of the following events:

(i) such Item is not new equipment or does not otherwise qualify under the requirements which entitle the Trustor to such investment tax credit and depreciation benefits including without limitation the requirements to qualify for the asset guideline class life referred to in said ruling request;

(ii) such Item has been used by Lessee or placed in service by Lessee or by any other person or any other event or circumstance occurring prior to or at the time of the acquisition of such Item by the Trust (as defined in the Trust Agreement);

(iii) such Item not being placed in service by the Trust in 1974;

(iv) Lessee taking or failing to take any action in respect of its income tax returns or otherwise which is, or in the opinion of the Internal Revenue Service is, inconsistent with or in contravention of any of the matters set forth in such ruling request or in any ruling subsequently obtained or set forth and agreed to in any closing agreement with respect to any such ruling;

(v) the use, operation or location of such Item by Lessee or any other party having or obtaining title to or possession or control of such Item whether or not authorized or contemplated under the terms of this Lease, or

(vi) the substitution for any Item or the replacement of any part or portion thereof whether or not such substitution or replacement is authorized under the terms of this Lease or by subsequent agreement among the parties hereto;

Lessee agrees to pay Lessor, (1) a sum which, after deduction of all taxes required to be paid by Lessor or the Trustor in respect of the receipt thereof under the laws of the United States or any state, city or other political subdivision thereof, or of any foreign country or political subdivision thereof, shall be equal to the amount of such investment credit or depreciation benefits so lost or disallowed (including, without limitation, court costs and reasonable attorneys' fees) and expenses of the Trustor incurred in connection with such loss or disallowance or such change or effect or such loss of the right to claim, and (3) the amount of any interest or penalty which may be assessed by the United States Government, or any of the political entities described above, against Lessor or the Trustor in connection with such loss or disallowance or such change or effect or such loss of the right to claim, which amounts shall be payable on written demand made at any time after such investment credit or depreciation benefits could have been claimed if allowed or, if claimed and then disallowed, at any time after payment of the tax, interest and penalties attributable thereto, respectively.

7.3. The indemnities and assumptions of liability in this Section 7 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumption of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i) or (ii) of subsection (b) of Section 7.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after such termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Section 14, or as the case may be, Section 16, hereof. The foregoing does not guarantee a residual value. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of any such claim or liability.

SECTION 8: RULES, LAWS AND REGULATIONS:

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including the rules of the Department of Transportation and the Interstate Commerce Commission) with respect to the use, maintenance and operation of each Item of Equipment subject to this Lease. In case any equipment or appliance or any such Item of Equipment shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on such Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such changes, additions and replacements at its own expense.

SECTION 9. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair,

ordinary wear and tear excepted. The Lessee shall not modify any Item of Equipment without written authority and approval of the Lessor which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Item of Equipment shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor, without cost or expense to the Lessor.

SECTION 10. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor to the Equipment. The Lessee's obligations under this Section 10 shall survive termination of the Lease.

SECTION 11. FILING, PAYMENT OF FEES AND TAXES.

11.1 Prior to the delivery and acceptance of the first Item of Equipment under this Lease, the Lessee will, at its sole expense, cause this Lease and the first security agreement and/or assignment, if any executed by the Lessor with respect to the Equipment or the Lease to be duly filed, registered or recorded in conformity with Section 20c of the Interstate Commerce Act and in such other places within or without the United States as the Lessor may reasonably request for the protection of its title or the security interest of the assignee under such security agreement and/or assignment and will furnish the Lessor proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, re-register, or re-record wherever and whenever required) any and all further instruments required by law or reasonably requested by the Lessor, for the purpose of protecting the Lessor's title to, or such assignee's security interest in, the Equipment to the satisfaction of the Lessor's or such assignee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor proof of such filings and an opinion of the Lessee's counsel that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any filing, re-filing, registering, re-registering, recording or re-recording of any such instruments or incident to the taking of such action.

11.2. The Lessee, or, upon the failure of the Lessee to do so, the Lessor at the Lessee's expense, shall report, pay and discharge when due all license and registration fees, assessments, sales, use and property taxes, gross receipts taxes arising out of receipts from use or operation of Equipment, and other taxes, fees and governmental charges similar or dissimilar to the foregoing (excluding any net income tax, provided that the Lessee agrees to pay that portion of any such net income tax which is in direct substitution

for, or which relieves the Lessee from, a tax which the Lessee would otherwise be obligated to pay under the terms of this Section), together with any penalties or interest thereon, imposed by any state, federal or local government upon or with respect to any Item of Equipment and whether or not the same shall be assessed against or in the name of the Lessor, the Agent, the Lessee, or the Trustor; provided, however, that the Lessee shall not be required to pay or discharge any such tax or assessment (i) so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor to the Equipment; provided, further, however, the Lessee shall reimburse the Lessor or the Trustor, as the case may be, for any damages or expenses resulting from such failure to pay or discharge, or (ii) as to assessments against or in the name of anyone other than the Lessee, until twenty (20) days after written notice thereof shall have been given to the Lessee.

SECTION 12. PAYMENT FOR CASUALTY OCCURRENCE FOR EQUIPMENT UNSERVICEABLE FOR USE.

12.1. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the reasonable opinion of the Lessee, irreparably damaged, or in the opinion of the Lessee, obsolete for Lessee's needs, or otherwise obsolete or economically unserviceable for use from any cause whatsoever, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease (any such occurrence, except for any requisition which by its term does not exceed the remaining term of this Lease, being hereinafter called a Casualty Occurrence) the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence), inform the Lessor in regard thereto and shall pay the Casualty Value (as hereinafter defined) of such item in accordance with the terms hereof.

12.2. When the aggregate Casualty Value of Items of Equipment which have suffered a Casualty Occurrence (exclusive of Items of Equipment having suffered a Casualty Occurrence with respect to which a payment shall have been made to Lessor pursuant to this Section 12) shall exceed \$50,000, the Lessor shall, on the next succeeding Fixed Rent Payment Date pay to the Lessor a sum equal to the Casualty Value of such Item or Items of Equipment as of the date of such payment; provided, that notwithstanding the foregoing, the Lessee shall pay to the Lessor a sum equal to the Casualty Value of any Item of Items of Equipment which have suffered a Casualty Occurrence during any calendar year for which no payment has previously been made to the Lessor pursuant to this Section 12, on the last Fixed Rent Payment Date of such calendar year.

12.3. Upon (and not until) payment of the Casualty Value in respect of any Item or Items of Equipment, the obligation to pay rental for such Item or Items of Equipment (including the Fixed Rent installment due on the Casualty Value payment date) shall terminate, but the Lessee shall continue to pay rental for all other Items of Equipment. The Lessee shall pay when due all rental payments as to any Item due prior to the date on which the Casualty Value thereof is payable.

12.4. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an "AS IS," "WHERE IS" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of, the Lessee may retain all amounts of such price plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence up to the Casualty Value attributable thereto and shall remit the excess, if any, to the Lessor. In disposing of such Item or Items of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item or Items of Equipment.

12.5. The "Casualty Value" of any Item of Equipment shall mean an amount determined as of the date the Casualty Value is paid as provided in this Section 12 (and not the date of the Casualty Occurrence) equal to that percentage of the invoice cost to Lessor of such Item of Equipment as set forth in Exhibit B attached hereto.

12.6. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 12 provided, shall not be released from, its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment after the date hereof.

12.7. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a period which does not exceed the remaining term of this Lease, the Lessee's duty to pay rent shall continue for the duration of such requisitioning or taking. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession to an amount equal to the rent paid or payable hereunder for such period, and the balance, if any, shall be payable to and retained by the Lessor as its sole property.

SECTION 13. ANNUAL REPORTS.

13.1. On or before April 1, in each year, commencing with the year 1975, the Lessee will furnish to the Trustor, the Lessor and any assignee of Lessor pursuant to Section 17 hereof an accurate statement, as of the end of the preceding calendar year (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during such calendar year (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 5 hereof shall have been preserved or replaced.

13.2. The Trustor, the Lessor and the Lessor's assigns shall have the right, at its sole cost and expense, by its authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to the Lessor or its assigns the existence and proper maintenance thereof during the continuance of this Lease.

SECTION 14. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease, the Lessee will, at its own cost and expense, at the request of the Trustor or the Lessor, deliver possession of the Equipment to the Lessor upon such storage tracks as are available within one-hundred (100) miles of Chicago, Illinois, and the Lessee will pay for the storage of the Equipment on such tracks for a period not exceeding thirty (30) days and transport the same at any time within such thirty (30) day period to any connecting carrier for shipment, all as directed by the Lessor or the Trustor upon not less than thirty (30) days written notice to Lessee. All movement and storage of each Item of Equipment is to be at the risk and expense of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any Item of Equipment to inspect the same.

The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so assemble, deliver, store and transport the Equipment.

SECTION 15. DEFAULT.

15.1. If, during the continuance of this Lease, one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made in the payment of any part of the rental or other sums payable pursuant to Section 4 or Section 12 hereof and such default shall continue for five (5) days;

(b) The Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Equipment, or any portion thereof, and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Equipment within thirty (30) days after written notice from the Lessor to the Lessee demanding such cancellation and recovery of possession;

(c) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for thirty (30) days after written notice from the Lessor to the Lessee specifying the default and demanding the same to be remedied;

(d) Lessee becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they may mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for Lessee or for the major part of its property, or Lessee shall in connection therewith make any voluntary assignment or transfer of Lessee's interest as Lessee hereunder in a manner or to a person not permitted by the terms hereof; or

(e) A trustee or receiver is appointed for Lessee or for the major part of its property and is not discharged within thirty (30) days after such appointment; or

(f) Any other proceedings shall be commenced by or against the Lessee 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 obligations of the Lessee hereunder), and, if instituted against the Lessee, are consented to or are not dismissed within sixty (60) days after such proceedings shall have been commenced,

unless all the obligations of the Lessee under this Lease shall have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings or otherwise and given a status comparable to obligations incurred by such a trustee or trustees within thirty (30) days after such appointment, if any, or sixty (60) days after such petition shall have been filed, whichever shall be earlier;

then in any such case, the Lessor, at its option, may:

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) by notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided, and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located, without judicial process if this can be done without breach of the peace, and take possession of all or any of such Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Equipment for any purpose whatsoever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by a fraction of which the numerator is such accrued number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Item of Equipment, which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then fair rental value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of the Item during such period, such present worth to be computed in each case on a basis of 6.5% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease, other than for the payment of rental.

15.2. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its 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. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rental payments due hereunder, and agrees to make the rental payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

15.3. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

15.4. If and so long as this Lease shall be deemed to be a divisible and severable contract between Lessor and Lessee, as a result of separate assignments by the Lessor pursuant to Section 17 hereof, an Event of Default which occurs and is continuing beyond the applicable period of grace, if any, in any of the said assigned and separate portions of this Lease shall constitute an Event of Default in all other assigned and separate portions of this Lease, all as if such Event of Default occurred in such other assigned and separate portion.

15.5. So long as any Event of Default shall have occurred and be continuing hereunder, the Lessee assigns to the Lessor the Lessee's rights under all leases, rental agreements and other contracts for the use of the Equipment or any Item thereof, and all sums due or to become due thereunder.

SECTION 16. RETURN OF EQUIPMENT UPON DEFAULT.

16.1. If the Lessor shall terminate this Lease pursuant to Section 15 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Item of Equipment in such reasonable storage place as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store the Equipment in such reasonable storage place for a period not exceeding 180 days at the risk of the Lessee; and

(c) Transport the Equipment, at any time within such 180 day period, to any connecting carrier for shipment, all as the Lessor may reasonably direct upon not less than thirty (30) days written notice to the Lessee.

16.2. The assembling, delivery, storage and transporting of the Equipment as hereinabove provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so as to assemble, deliver, store and transport the Equipment.

16.3. Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Section 16, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Item of Equipment to Lessor, to demand and take possession of such Item of Equipment in the name and on behalf of Lessee from whosoever shall be at the time in possession of such Item of Equipment.

SECTION 17. ASSIGNMENT BY LESSOR.

This Lease shall be assignable in whole or in part by Lessor without the consent of Lessee, but Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. In the event that separate assignments are executed by the Lessor in respect of this Lease and the rental and other sums due and to become due hereunder, the Lessor and the Lessee agree that so long as such separate assignments remain in force and effect this Lease shall be deemed to be and shall be construed as a divisible and severable contract between the Lessor and the Lessee for the leasing of the Equipment covered by each such separate assignment, all to the same extent and with the same force and effect as though a separate lease had been entered into by the Lessor and the Lessee in respect of such Equipment; provided, however, Lessor and Lessee agree that an Event of Default as defined in Section 15.1 hereof as to any such assigned and separate portion of this Lease shall nevertheless constitute an Event of Default in all other assigned and separate portions of this Lease, pursuant to the provisions of Section 15.4 hereof. Upon notice to the Lessee of any such assignment the rental and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such assignee in and to the sums payable by the Lessee under any provisions of this Lease shall not be subject to any abatement whatsoever, and shall not be subject to any defence, offset, counterclaim or recoupment whatsoever whether by reason of defect in Lessor's title, or any interruption from whatsoever cause (other than from a wrongful act of the assignee) in the

use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whensoever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of the assignee, the Lessee shall be unconditionally and absolutely obligated to pay the assignee all of the rents and other sums which are the subject matter of the assignment, and (ii) the assignee shall have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of the assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor.

SECTION 18. ASSIGNMENTS BY LESSEE, USE AND POSSESSION.

18.1. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment (except to the extent that the provisions of any mortgage now or hereafter created by the Lessee may subject such leasehold interest to the lien thereof). The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 18.2 hereof.

18.2. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Equipment, and be permitted to sublet or lease to other parties the Equipment in the normal course of its business, but only upon and subject to all the terms and conditions of this Lease. No assignment, sublease or agreement entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

18.3. Nothing in this Section 18 shall be deemed to restrict the right of Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed the obligations hereunder of Lessee) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of Lessee as an entirety or substantially as an entirety.

SECTION 19. INSURANCE.

The Lessee agrees that it will at all times during the term of this Lease and at its own cost and expense keep the Equipment insured against loss by fire, windstorm and explosion and with extended coverage and against such other risks of physical loss as are customarily insured against by companies owning property of a similar character and engaged in a business similar to that engaged in by Lessee at not less than the Casualty Value, and will maintain general public liability insurance with respect to the Equipment against damage because of bodily injury, including death, or damage to property of others, with limits of not less than \$10,000, 000 per each occurrence. Any such insurance may have applicable thereto deductible provisions to no greater extent than in effect for insurance coverage for equipment similar to the Equipment owned by Lessee.

The Lessee shall furnish the Lessor with certificates or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies. All insurance provided for in this Section 19 shall be effected with insurance companies of recognized responsibility.

SECTION 20. INTEREST ON OVERDUE RENTALS AND AMOUNTS PAID BY THE LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of Interim Daily Rent or Fixed Rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the obligation on the part of the Lessee to pay also interest at the rate of 12% per annum (or the maximum rate allowed by law, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 21. NOTICES.

Any notice required or permitted to be given by any party hereto to any other shall be deemed to have been given when deposited in the United States mails, first class postage prepaid, addressed as follows:

If to the Lessor
or the Agent:

Trust Company for USL, Inc.
Trustee under RUSL Trust No. 2
P.O. Box 66011, AMF O'Hare
Chicago, Illinois 60666

Copy to:

United States Leasing Inter-
national, Inc.
633 Battery Street
San Francisco, California 94111

and

The Sanwa Bank of California
300 Montgomery Street
San Francisco, California 94104

If to the Lessee:

Rail-U.S. Leasing, Incorporated
633 Battery Street
San Francisco, California 94111
Attention: President

Copy to:

United States Leasing Inter-
national, Inc.
633 Battery Street
San Francisco, California 94111

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing.

SECTION 22. EXECUTION IN COUNTERPARTS.

This Lease and any lease supplement hereto may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

SECTION 23. LAW GOVERNING.

This Lease shall be governed by and construed in accordance with the laws of Illinois, provided, however, that the parties shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

SECTION 24. PURCHASE AND RENEWAL OPTIONS: APPRAISAL.

(a) Determination of Fair Market Sales Value and Fair Market Rental Value. No less than six (6) months prior to the expiration of the Initial Term or Renewal Term (as hereinafter defined), Lessee may notify Lessor in writing that Lessee desires a determination of the fair market sales value and/or fair market rental value of the Equipment as of the end of such term. Thereafter, Lessor and Lessee shall consult for the purposes of determining the fair market sales value and/or fair market rental value of

the Equipment as of the end of such term, and any values agreed upon in writing shall constitute such fair market sales value and/or fair market rental value for the purposes of this Section. If the Lessor and Lessee have not agreed upon such values three (3) months before the expiration of such term, Lessee may request that such values be determined by an appraiser selected by mutual agreement of Lessor and Lessee. If Lessor and Lessee are not able to agree upon an appraiser within 30 days after Lessee's request then such values shall be determined by American Appraisal Company or its successor. Such fair market sales value and/or fair market rental value shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing buyer-user or lessee and an informed and willing seller or lessor under no compulsion to sell or lease. Lessee and Lessor shall equally share all costs and expenses of any appraisal pursuant to this Subsection (a).

(b) Renewal Options. If no Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) shall have occurred and be continuing and this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, but subject to subsection (d) below, to renew this Lease for one (1) term of five (5) years commencing at the expiration of the Initial Term (the "Renewal Term"), provided that Lessee shall give to Lessor a preliminary written notice indicating Lessee's interest in the Renewal Term at at least nine (9) months prior to the expiration of the Initial Term, and a final written notice exercising its option at least 180 days prior to the expiration of the Initial Term. The terms of this Lease shall be applicable during the Renewal Term, except that the rental payable during the Renewal Term shall be the fair market rental value as determined in Subsection (a) above and shall be payable quarterly in arrears.

(c) Lessee's Purchase Option. If Lessee is not in default in the performance of any of its obligations under this Lease and this Lease shall not have been earlier terminated, Lessee, at the expiration of the Initial Term or Renewal Term, shall be entitled, at its option, but subject to subsection (d) of this Section, to purchase all but not less than all the Items of Equipment at fair market sales value as determined under subsection (a) of this Section on the date of purchase, provided that Lessee shall have given Lessor a preliminary written notice indicating Lessee's interest in such purchase at least nine (9) months prior to the expiration of the Initial Term or Renewal Term and a final written notice exercising its option at least 180 days prior to the expiration of the Initial Term or Renewal Term.

If the Equipment is purchased pursuant to subsection (c) of this Section, Lessee shall pay the specified purchase price to Lessor at the place of payment specified in Section 4.3

hereof on a mutually acceptable business day after the end of the current term in funds then current against delivery of a bill of sale transferring and assigning to Lessee without recourse or warranty, except in respect of Lessor's acts, all Lessor's right, title and interest in and to the Equipment. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of the Equipment or any other matters.

(d) Lessor's Sale Option. Lessor may, at its option, sell all but not less than all the Items of Equipment to Lessee at the expiration of the Initial Term, at a purchase price equal to 7 1/2% of the Lessor's Cost of the Equipment, provided that Lessor shall give to Lessee written notice of the exercise of such option at least 120 days prior to the expiration of the Initial Term. On the last day of the Initial Term, Lessee shall be obligated to purchase, and Lessor shall be obligated to sell, the Equipment at such purchase price and Lessee shall pay the specified purchase price to Lessor in accordance with the second paragraph of subsection (c) above.

(e) Terminations Pending Purchase. Notwithstanding any election of Lessee to purchase, the provisions of Section 12 hereof shall continue in full force and effect in respect of any Casualty Occurrence prior to the date of purchase and the passage of ownership of the Equipment to Lessee; provided that if the purchase price has been agreed upon by the parties pursuant to this Section 24, the amount payable by Lessee in respect of any Casualty Occurrence shall be the greater of the purchase price agreed upon and the Casualty Value.

SECTION 25. CONCERNING THE LESSOR AND THE AGENT.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of the Lessor, while in form purporting to be the representations, covenants, undertakings and agreements of Trust Company for USL, Inc., are nevertheless each and every one of them made and intended not as personal representations, covenants, undertakings and agreements of it in its individual corporate capacity or for the purpose or with the intention of binding it in its individual corporate capacity, but are made and intended for the purpose of binding only the Trust (as defined in the Trust Agreement); the Trust is the Lessor hereunder, and this Lease is executed and delivered by Trust Company for USL, Inc., not in its own right but solely in the exercise of the powers conferred upon it as Trustee of the Trust (the "Trustee"); and no liability or responsibility in its individual corporate capacity is assumed by nor shall at any

time be asserted or enforceable against such corporation or the Agent, or any incorporator or any past, present or future officer, director, shareholder or subscriber to the capital stock of, the Trustee or the Agent, on account of this Lease or on account of any representation, covenant, undertaking or agreement of such corporation or the Agent in this Lease contained, either expressed or implied, all such individual corporate liability, if any, being expressly waived and released by the Lessee; excepting, however, that the Lessee or any person claiming by, through or under it, making claim hereunder, may look to the Trust for satisfaction of the same.

SECTION 26. HEADINGS.

All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and their corporate seals to be hereto affixed as of the day and year first above written.

(Corporate Seal)

ATTEST:

Joanne L. Miller
Asst. Secretary

TRUST COMPANY FOR USL, INC., as Trustee under a Trust Agreement dated as of October 28, 1974

By John F. Grow
Its **TRUST OFFICER** LESSOR

(Corporate Seal)

ATTEST:

Peter Meyer
Secretary

UNITED STATES LEASING INTERNATIONAL, INC., as Agent

By [Signature]
Its **Vice President**

(Corporate Seal)

ATTEST:

Robert E. Mello
Secretary

RAIL-U.S. LEASING, INCORPORATED

By [Signature]
Its **President** LESSEE

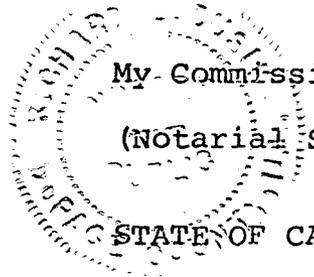
STATE OF ILLINOIS, CITY OF CHICAGO AND COUNTY OF COOK SS:

On this 18th day of *NOVEMBER*, before me personally appeared *John F. Terow* to me personally known, who being by me duly sworn says that he is the *Trust Officer* of TRUST COMPANY FOR USL, INC., that one of the seals 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission Expires: *11/18/78*

Richard L. Ward

(Notarial Seal)



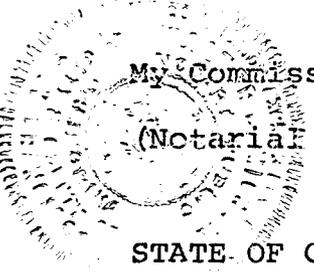
STATE OF CALIFORNIA, CITY AND COUNTY OF SAN FRANCISCO SS:

On this 15th day of *November 1974*, before me personally appeared *B.C. McMillen*, to me personally known, who being by me duly sworn says that he is the *Vice President* of UNITED STATES LEASING INTERNATIONAL, INC., that one of the seals 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission Expires: *December 6, 1975*

Walter J. Muehl

(Notarial Seal)



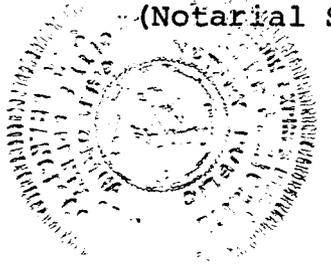
STATE OF CALIFORNIA, CITY AND COUNTY OF SAN FRANCISCO SS:

On this 15th day of *November 1974*, before me personally appeared *Myron H. Christy* to me personally known, who being duly sworn says that he is the *President* of RAIL-U.S. LEASING, INCORPORATED, that one of the seals 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission Expires: *December 6, 1975*

Walter J. Muehl

(Notarial Seal)



CERTIFICATE OF ACCEPTANCE

TO: TRUST COMPANY FOR USL, INC., as Trustee under Trust Agreement dated as of October 28, 1974 (the "Lessor")

UNITED STATES LEASING INTERNATIONAL, INC., as Agent for the Trustee (the "Agent")

I, duly appointed and authorized representative of Rail-U.S. Leasing, Incorporated (the "Lessee") under the Equipment Lease dated as of October 28, 1974 (the "Equipment Lease") among the Lessor, the Agent, and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery under the Equipment Lease of the following Items of Equipment:

TYPE OF EQUIPMENT:

PLACE OF ACCEPTANCE:

DATE ACCEPTED:

NUMBER OF UNITS:

NUMBERED:

I do further certify that each item of Equipment described above is in good order and condition, and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, and that each Item has been marked in accordance with Section 5.2 of the Equipment Lease.

EXHIBIT A
(to Lease)

(RUSL Trust No. 2)

I do further certify that each Item of Equipment described above has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"Leased from Trust Company for USL, Inc., Lessor and as Trustee for The Sanwa Bank of California, and subject to a Security Interest recorded with the I.C.C."

The execution of this Certificate will in no way relieve or decrease the responsibility of the Lessee for any warranties it has made with respect to the Equipment.

DATED: _____, 197__.

Inspector and Authorized Representative
of Rail-U.S. Leasing, Incorporated

SCHEDULE OF CASUALTY VALUE

<u>After Fixed Rent Payment No.</u>	<u>Payable on Fixed Rent Payment Date and in Lieu of Fixed Rent Payment No.</u>	<u>Casualty Value Payable Per Item (in lieu of Fixed Rent Payment for such Item due on such date)</u>
0	1	107.125%
1	2	108.500
2	3	109.750
3	4	110.500
4	5	111.125
5	6	111.625
6	7	112.000
7	8	112.250
8	9	112.500
9	10	112.625
10	11	112.625
11	12	112.625
12	13	107.250
13	14	107.000
14	15	106.750
15	16	106.250
16	17	105.750
17	18	105.125
18	19	104.500
19	20	103.750
20	21	97.750
21	22	96.750
22	23	95.750
23	24	94.625
24	25	93.500
25	26	92.250
26	27	91.000
27	28	89.625
28	29	83.000
29	30	81.375
30	31	79.875
31	32	78.125
32	33	76.500
33	34	74.750
34	35	72.875
35	36	71.000
36	37	69.000
37	38	67.125
38	39	65.125
39	40	63.000
40	41	61.000

RAIL-U.S.LEASING

SCHEDULE OF CASUALTY VALUE

(continued)

<u>After Fixed Rent Payment No.</u>	<u>Payable on Fixed Rent Payment Date and in Lieu of Fixed Rent Payment No.</u>	<u>Casualty Value Payable Per Item (in lieu of Fixed Rent Payment for such Item due on such date.</u>
41	42	59.000
42	43	57.000
43	44	54.875
44	45	52.875
45	46	50.750
46	47	48.750
47	48	47.000
48	49	45.375
49	50	43.625
50	51	41.875
51	52	40.625
52	53	38.375
53	54	36.500
54	55	34.625
55	56	32.625
56	57	30.625
57	58	28.625
58	59	27.250
59	60	26.750
60	61	26.250
61	62	25.750
62	63	25.250
63	64	24.750
64	65	24.125
65	66	23.375
66	67	22.625
67	68	21.750
68	69	20.875
69	70	19.000
70	71	17.125
71	72	15.375
72	Thereafter	15.000

In the event of a Casualty Occurrence between the Interim Closing Date and the Term Loan Closing Date, the Lessee shall pay on June 30, 1975, Casualty Value equaling 110.640% of the invoice Cost of the Item or Items of Equipment destroyed.

SCHEDULE 1-a

MANUFACTURER: ACF Industries, Incorporated

EQUIPMENT: Thirty-eight (38) 100-ton roller bearing truck 4650 cubic foot capacity center flow covered hopper cars.

ROAD NUMBERS: Lettered RUSX and numbered 4613 to 4650, both inclusive.

UNIT PRICE: \$ 26,000.00 per car, or

TOTAL PRICE: \$ 988,000.00 for all 38 cars.

DELIVER TO: Rail-U.S. Leasing, Incorporated
(as designated by the Lessee).

RENT PERIOD: Commencing on the Interim Closing Date and terminating eighteen (18) years from the Term Loan Closing Date.

FIXED RENTAL PAYMENTS: Seventy-two (72) quarterly rental payments, in arrears, payable as follows:

\$ 668.20 per car or

\$ 25,391.60 for all 38 cars.

INTERIM DAILY RENTAL: \$ 5.8125 per car per day.

The above Rental payments are based on the 11.5% assumed debt rate. In the event the term loan debt rate differs from 11.5% the Fixed Rental will be adjusted to reflect such change.

TRUSTOR: The Sanwa Bank of California
LESSEE: Rail-U.S. Leasing, Incorporated
LENDER:

SCHEDULE 1-b

MANUFACTURER: ACF Industries, Incorporated

EQUIPMENT: Ten (10) 20,000 gallon, Class DOT 111A100W-1 tank cars, equipped with 100-ton trucks.

ROAD NUMBERS: Lettered TGOX and numbered 2264 to 2273, both inclusive.

UNIT PRICE: \$ 27,100.00 per car, or

TOTAL PRICE: \$ 271,000.00 for all 10 cars.

DELIVER TO: Rail-U.S. Leasing, Incorporated (as designated by the Lessee).

RENT PERIOD: Commencing on the Interim Closing Date and terminating eighteen (18) years from the Term Loan Closing Date.

FIXED RENTAL PAYMENTS: Seventy-two (72) quarterly rental payments, in arrears, payable as follows:

\$ 696.47 per car or

\$ 6,964.70 for all 10 cars.

INTERIM DAILY RENTAL: \$ 6.0585 per car per day.

The above Rental payments are based on the 11.5% assumed debt rate. In the event the term loan debt rate differs from 11.5% the Fixed Rental will be adjusted to reflect such change.

TRUSTOR: The Sanwa Bank of California

LESSEE: Rail-U.S. Leasing, Incorporated

LENDER: