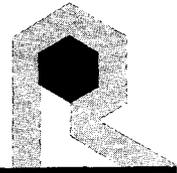


THE ROCK



(312) 435-7915

7-2561020

RECORDATION NO. ⁴⁹⁹¹ Filed & Recorded

September 8, 1977

SEP 13 1977 -9 10 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D. C. 20423

Gentlemen:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are four executed counterparts of an agreement entitled "Agreement To Lease Railroad Equipment Dated As Of August 12, 1977 Between U.S. Steel Credit Corporation, Lessor, and William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company, Debtor, Lessee."

Names and addresses of the parties to the Agreement are:

U.S. Steel Credit Corporation, Lessor
600 Grant Street
Pittsburgh, Pennsylvania 15230

William M. Gibbons, Trustee of the Property
of Chicago, Rock Island and Pacific
Railroad Company
332 South Michigan Avenue
Chicago, Illinois 60604

A general description of the railroad rolling stock covered by the Agreement is 300 100-ton open hopper cars bearing identification markings ROCK 610000 - 610299, inclusive.

The undersigned is an executive officer of the Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company mentioned in the enclosed documents and has knowledge of the matters set forth therein.

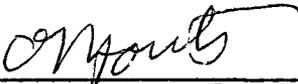
Please return two executed counterparts of the Agreement to the undersigned.

SEP 12 1977
Fees \$ 50
DC Washington

RECORDED
INDEXED
SEP 13 1977

Also enclosed is a check in the amount of \$50 covering the required recordation fees.

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

By 
General Solicitor

vf

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

9/13/77

OFFICE OF THE SECRETARY

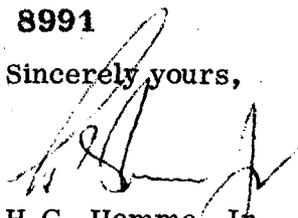
O.Houts
Chicago, Rock Island & Pacific RR. Co.
332 S. Michigan Avenue
Chicago, Illinois 60604

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **9/13/77** at **9:50am** and assigned recordation number(s) **8991**

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

8991
RECORDATION NO. Filed & Recorded

SEP 13 1977-9 50 AM

INTERSTATE COMMERCE COMMISSION

AGREEMENT TO LEASE RAILROAD EQUIPMENT

DATED AS OF AUGUST 12, 1977

Between

U. S. STEEL CREDIT CORPORATION
Lessor,

and

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

This AGREEMENT TO LEASE RAILROAD EQUIPMENT (hereinafter the "Agreement") is dated as of August 12, 1977 and made between U. S. Steel Credit Corporation, a Delaware corporation (hereinafter "Lessor"), and William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company, Debtor, (hereinafter "Debtor") (such Trustee being hereinafter called "Lessee" or "Trustee"); WITNESSETH:

WHEREAS, on the 17th day of March, 1975, Debtor filed a petition for reorganization under Section 77 of the Bankruptcy Act in the United States District Court for the Northern District of Illinois and such petition was duly approved as properly filed by order entered on said date by said Court (the proceedings with respect thereto being hereinafter called the Reorganization Proceedings), and the Trustee has been duly qualified as the trustee of the property of the Debtor on April 4, 1975; and

WHEREAS, Lessee desires to lease from Lessor commencing no later than July 1, 1978, three hundred (300) 100-ton open top hopper cars at the rentals and for the terms and upon the conditions hereinafter provided, subject to the approval of said Court.

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by Lessee, Lessor hereby undertakes to lease the Cars to Lessee, and Lessee hereby agrees to lease the Cars from Lessor, upon the following terms and conditions:

1. Acquisition, Delivery and Acceptance of the Cars.

(a) Lessee has heretofore ordered certain railroad equipment described in Exhibit A hereto (collectively "Cars" and each a "Car") pursuant to Lessee's purchase order number A-36879 dated July 13, 1977 (as the same has heretofore been or may hereafter be amended, modified or supplemented, the "Purchase Order"), a true, correct and complete copy of which has been furnished to Lessor, and Lessee has delivered, or shall forthwith deliver to Lessor, an assignment of its rights under such Purchase Order together with the consent of Greenville Steel Car Company (the "Seller") with respect thereto (each of which shall be in form and substance satisfactory to Lessor).

(b) Lessor shall acquire the Cars for a purchase price not to exceed the amount specified in Exhibit A ("Acquisition Cost"). Lessor shall have no obligations under the Purchase Order other than to pay the purchase price for the Cars covered thereby in accordance with the provisions of this Agreement; Lessee shall be responsible for the performance of all other obligations (other than those of the Seller) under the Purchase Order. Lessor shall have no responsibility or liability to Lessee or any other person for the adequacy or accuracy of any specifications set forth in the Purchase Order or for the failure on the part of the Seller to accept the Purchase Order or to make delivery of any Car covered thereby in accordance with the terms thereof.

(c) Lessee shall accept delivery of the Cars and shall forthwith execute and deliver to the Seller and Lessor one or more Certificates of

of Acceptance, substantially in the form of Exhibit B hereto, relating to such Cars.

(d) The delivery of any Car to Lessee and the delivery to Lessor of a Certificate of Acceptance shall constitute Lessee's acknowledgment that: (i) Lessee has fully inspected such Cars; (ii) such Cars are in good condition and repair, are of the manufacture, design and specifications selected by Lessee and are suitable for Lessee's purposes; (iii) such Cars are in full compliance with this Agreement and Interstate Commerce Commission and all other applicable governmental agency requirements and specifications, if any, and Lessee has accepted such Cars hereunder; and (iv) Lessor has made no representation or warranty of any kind with respect to such Cars. Lessee shall: (i) pay all costs and expenses of freight, packing, insurance, handling, storage, shipment and delivery of the Cars to the extent that the same have not been included in Acquisition Cost; and (ii) at its own cost and expense, furnish such labor, equipment and other facilities and supplies as may be required to install and erect the Cars, which installation and erection shall be in accordance with the specifications and requirements of the Seller.

(e) Lessor agrees to remit the Acquisition Cost to Seller upon receipt of Certificates of Acceptance covering all Cars and Seller's invoice in such amount (approved in writing by Lessee). In the event that (i) by July 1, 1978 Lessee shall have failed for any reason to accept delivery of any Car delivered to Lessee by Seller prior to such date or shall have failed for any reason to deliver to Seller

and Lessor a Certificate of Acceptance relating to any Car delivered to Lessee by Seller prior to such date or (ii) any Car has not been delivered by Seller to Lessee as contemplated herein by July 1, 1978, then any such Car shall be excluded from this Lease and Lessor shall remit to Seller an amount equal to purchase price times the number of Cars for which Lessor has received Certificates of Acceptance prior to July 1, 1978 upon receipt from Seller of an invoice in such amount (approved in writing by Lessee).

2. Title. At all times while this Agreement is in force no title or other right of ownership in the Cars shall be vested in Lessee, and delivery of possession of the Cars to Lessee and Lessee's possession of the Cars shall constitute only a bailment.

3. Rentals. Commencing on the date on which Lessor makes its payment for the acquisition of any Cars and until the commencement of the Initial Term (as defined in Section 4 hereof), Lessee will pay Lessor, as interim rent for such Cars, a per diem amount equal to $1/90$ of the Rental Factor multiplied by the total cost to Lessor to acquire such Cars. The interim rent shall be paid upon commencement of the Initial Term.

During the Initial Term Lessee will pay Lessor, as rental for the Cars, quarterly in advance, 60 consecutive quarterly payments each in an amount equal to 2.9446% (the "Rental Factor") of the Acquisition Cost. The initial rental payment date shall be the date on which Lessor makes its final payment for the acquisition of the Cars (hereinafter the "Final Settlement Date"), which shall not be later than July 1, 1978.

Subsequent quarterly rental payments shall be due on the same day of the month as the first day of the Initial Term, of every third month thereafter during the Initial Term and any extensions or renewals thereof (hereinafter the "Rental Payment Date").

All payments to Lessor provided for in this Agreement shall be made to Lessor at P. O. Box 7591, Church Street Station, New York, New York 10249, or at such other places as Lessor from time to time shall specify in writing.

The lease embodied in this Agreement is a net lease and Lessee shall not be entitled to any abatement of rent or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever, including but not limited to, abatements or reductions due to any present or future claims of Lessee against Lessor or any assignee of Lessor under this Agreement or otherwise, nor, except as otherwise expressly provided herein, shall this Agreement terminate, or the respective obligations of Lessor or Lessee be otherwise affected, by reason of any defect in or failure of title of the Lessor to the Cars or damage to or loss or destruction of all or any of the Cars from whatever cause, the taking or requisition of the Cars by condemnation or otherwise, the prohibition of Lessee's use of the Cars, the interference with such use by any government, person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Agreement, or lack of right, power or authority of Lessor or Lessee to enter into this Agreement, 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 Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Agreement.

The obligations to make rental and other payments under this Agreement will constitute expenses of administration of the Lessee, and will rank equally and ratably in priority of payment with all other expenses of administration of the Lessee .

In case of failure of Lessee to procure or maintain insurance or to pay fees, assessments, charges, taxes and expenses, including but not limited to expenses to maintain the Cars in accordance with Section 10 hereof, all as herein required, Lessor shall have the right, but shall not be obligated, to effect such insurance or pay said fees, assessments, charges, taxes and expenses. In that event the cost thereof shall constitute an expense of administration of the Lessee and will rank equally and ratably in priority of payment with all other expenses of administration of the Lessee and shall be payable to Lessor on demand.

If any amounts payable pursuant to the terms of this Agreement, including but not limited to rentals due hereunder, remain unpaid after the same shall become due and payable, Lessee shall pay interest on such overdue amounts for the period of time during which they are overdue at the rate of 10% per annum (hereinafter the "Penalty Interest Rate"), it being expressly understood that this provision shall be in addition to any

other rights which Lessor may have under this Agreement in the event Lessee fails to make payments required hereunder when the same shall have become due and payable.

4. Term of Lease; Renewal Terms; Rentals for Renewal Term. The Initial Term of this Lease (hereinafter the "Initial Term") shall begin on the Final Settlement Date, and, subject to the provisions of this section and section 13 hereof, shall terminate at the expiration of fifteen (15) years from the commencement of the Initial Term.

At the end of the Initial Term Lessee may lease the Cars for an additional term (the "Renewal Term") for their then fair rental value payable quarterly in advance, or return the Cars to Lessor.

Notwithstanding anything to the contrary contained in this section 4, Lessee may exercise the option to renew the lease described in this section 4 only if (i) at the time of such exercise Lessee is not in default hereunder; (ii) Lessee shall have given Lessor 180 days' prior written notice of its election to exercise such option; and (iii) the written notice specifies the Cars to be leased in the renewal term and the period of time during which they are to be leased.

When and as necessary, the fair rental value shall be an amount mutually agreed upon by Lessor and Lessee. Lessee shall estimate and tender

to Lessor the first quarterly payment of the fair rental value, with the 180 day notice set forth above. In the event Lessor rejects Lessee's estimate and the parties cannot otherwise agree within 60 days after mailing of Lessee's notice to exercise its option hereunder, then the fair rental value shall be determined by an appraiser selected by mutual agreement. If the parties are unable to agree upon an appraiser, or if the fair rental value is not determined within 90 days after mailing of Lessee's notice to exercise its option hereunder, Lessor and Lessee shall each select an appraiser within 5 days thereafter and the two appraisers so selected shall select a third appraiser within 10 days after selection of the two appraisers. The three appraisers shall determine, by the agreement of any two appraisers, the fair rental value within 30 days after appointment of the third appraiser. If the three appraisers fail to make such determination within the said 30 day period, the same shall be determined by the American Appraisal Company. All costs of appraisal shall be borne by Lessee.

5. Identification Marks. Lessee will cause each Car to be numbered with its road numbers and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Car, in letters not less than one inch in height, "U. S. Steel Credit Corporation, Pittsburgh, PA, Owner and Lessor," or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from

time to time may be requested by Lessor or required by law in order to protect Lessor's title to the Cars and its rights under this Agreement. Lessee will not place any Car in operation until such words 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. Lessee will not change the road number of any Car except in accordance with a statement of new numbers to be substituted therefor, which statement or reference thereto previously shall have been filed with Lessor by Lessee and filed, recorded or deposited in all public offices where this Agreement shall have been filed, recorded or deposited.

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

6. Taxes. In addition to the rent provided herein, and as a separate item, Lessee shall pay or reimburse Lessor for all taxes (exclusive of taxes based on Lessor's net income or franchise taxes, unless such net income or franchise taxes are in substitution for or relieve Lessee from any taxes which Lessee would otherwise be obligated to pay

under the terms of this section), fees, charges, licenses, and assessments, whatsoever, however designated, whether based on the rent or levied, assessed or imposed upon the equipment or upon or in respect of the manufacture, purchase, delivery, ownership, leasing, use or return of the Cars, now or hereafter levied, assessed or imposed during the term of this lease under the authority of a federal, state or local taxing jurisdiction, regardless of when and by whom payable. Applicable sales and use taxes will be added to the rent unless Lessee provides direct payment authority or a valid exemption certificate.

7. Payment for Casualty Occurrence or for Cars Unserviceable for Use. In the event any Car delivered hereunder to Lessee shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or, in the opinion of Lessor and Lessee, 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 (each such occurrence being hereinafter called a "Casualty Occurrence") during the continuance of this Agreement, Lessee shall promptly (after it has knowledge of such Casualty Occurrence) and fully inform Lessor in regard thereto by written notice. On the next Rental Payment Date hereunder following the happening of a Casualty Occurrence, Lessee will pay Lessor on account of the affected Cars the stipulated loss value thereof (hereinafter the "Stipulated Loss Value"), calculated as of such next Rental Payment Date in accordance with the Schedule of Stipulated Loss Values which is attached hereto, made a part hereof and marked Exhibit "C".

Upon paying the Stipulated Loss Value of the Car or Cars which shall have suffered a Casualty Occurrence, rental for such Car or Cars shall cease to accrue after that Rental Payment Date, the total cost of such Car or Cars as shown in Exhibit A hereto being subtracted from the Acquisition Cost for the determination of future rental payments pursuant to Section 3 hereto, and Lessee shall thereupon automatically take title to such Car or Cars as-is, where-is, without warranty by Lessor express or implied with respect to any matter whatsoever. Lessor will remit to Lessee as received any net insurance proceeds payable as the result of insurance carried by Lessee, or proceeds of an award in eminent domain or condemnation proceedings received by Lessor, in respect of Cars suffering Casualty Occurrences for which Lessee has paid Lessor the Stipulated Loss Value.

Lessee shall bear the risk of, and, except as herein provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Car after Lessee's acceptance thereof.

8. Disclaimer of Warranties.

(a) LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITION, QUALITY, DURABILITY, SUITABILITY, ADEQUACY, MERCHANTABILITY, FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, DESIGN, OPERATION, USE OR PERFORMANCE OF ANY CAR OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY CAR, except that Lessor represents that it has such title and ownership in the Cars as has been conveyed to Lessor by Seller in bills of sale relating to the Cars.

(b) Nothing contained in this section shall be deemed to limit Lessee from availing itself of any representations, warranties or

agreements of the Seller. Lessee acknowledges and agrees that, except as otherwise specifically provided herein, Lessor shall have no responsibility or liability to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Car or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Car or any risks relating thereto; (iii) any interruption of service, loss of business or anticipatory profits or consequential damages; or (iv) the delivery, installation, erection, testing, programming, adjusting, operation, servicing, maintenance, repair, improvement or replacement of any Car. 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 Cars against any manufacturers, contractors or sellers in respect thereof.

9. Rules, Laws and Regulations. The Lessee agrees to comply with all governmental laws, regulations, requirements and rules foreign or domestic (including the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules, or supplements thereto of the Mechanical Division, Association of American Railroads) with respect to the use, maintenance and operation of each Car subject to

this Lease. In case any equipment or appliance on any such Car 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 Car 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. Lessee agrees to prepare and deliver to Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of Lessor) any and all reports (other than income tax returns) to be filed by Lessor with any federal, state or other regulatory authority by reason of Lessor's ownership of the Cars or the leasing thereof to Lessee.

10. Use and Maintenance of Cars. The Lessee shall use the Cars only in the manner for which they were designed and intended and so as to subject them only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Cars in good order, condition and repair, and suitable for use in interchange. The Lessee shall not modify any Car without the written authority and approval of the Lessor which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Car shall be considered accessions to such Car and title thereto shall be immediately vested in the Lessor, without cost or expense to the Lessor. Lessee shall not knowingly allow the Cars to be used outside the continental United States. Lessee shall not knowingly allow any more than ten (10) of the Cars to be used in a single block on the same train at any time.

11. Indemnification. Lessee agrees to indemnify, protect and hold harmless Lessor and its successors and assigns from and against (a) any and all loss or damage of or to the Cars, usual wear and tear excepted, and (b) any and all losses, expenses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, reasonable counsel fees and expenses, patent liabilities, penalties and interest, arising in any way out of or as the result of the entering into or the performance of this Agreement, the ownership of any Car, the transportation, leasing, use, operation, condition, purchase, rehabilitating, delivery, rejection, or storage of any Car or any accident in connection with the transportation, leasing, operation, use, condition, possession, or storage of any Car resulting in damage to property or injury or death to any person, or arising by reason or as a result of any act or omission of the Lessee for itself or as agent or attorney-in-fact for Lessor hereunder. The indemnities arising hereunder shall continue in full force and effect notwithstanding the full payment of all other obligations under the lease embodied in this Agreement or the termination of that lease.

12. Insurance. Lessee will, at all times while the lease included in this Agreement is in effect, at its own expense, cause to be carried and maintained, in respect of the Cars at the time subject hereto, public liability and casualty insurance in amounts and against risks customarily insured against by railroad companies on similar equipment, and in any event in amounts and against risks comparable to those insured against by Lessee on equipment owned by it, provided that the casualty insurance shall

not be less than the Stipulated Loss Value and the public liability insurance shall be in amounts not less than \$29,000,000. Such insurance shall be in form and amount and with companies approved by Lessor and shall include Lessee and Lessor as named insureds as their interests may appear, and may have a \$2,000,000 per accident deductible for liability insurance and \$1,000,000 per accident deductible for casualty insurance. Lessee shall deliver said policies, or duplicates thereof, to Lessor. Each insurer shall acknowledge and agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor that it will make payment of any claims in respect of the Cars jointly to Lessee and Lessor for application in accordance with the terms of this Agreement and give Lessor at least thirty (30) days written notice before the policy in question shall be altered or cancelled. The proceeds of such insurance, at the option of Lessor, shall be applied toward (a) the replacement, restoration or repair of the Cars, (b) payment of the Stipulated Loss Value thereof or (c) payment or as provision for satisfaction of any other obligations of Lessee hereunder.

13. Default. If, during the continuance of the lease embodied in this Agreement, one or more of the following events (herein sometimes called "Events of Default") shall occur:

A. failure to pay when due any part of the rental provided in sections 3 and 4 hereof, which failure shall continue for ten (10) days after the due date thereof;

B. nonpayment of any other amount provided for in this Agreement when the same becomes due, or default by Lessee in performing any

obligation, term or condition of this Agreement, provided such nonpayment or default shall continue for more than thirty (30) days after written notice;

C. the Lessee shall make or permit any unauthorized assignment or transfer of this Agreement or of possession of the Cars, or any thereof;

D. a decree or order is entered in the Reorganization Proceedings preventing or disabling the Trustee from performing any of his obligations under this Agreement;

E. any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of Lessee or any other party liable for payment or performance of this Agreement proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or has omitted any substantial contingent or unliquidated liability or claim against Lessee or any such other party;

then, in each and every such case, Lessor, at its option may

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

(b) by notice in writing to Lessee, terminate this Agreement and the lease embodied herein forthwith as to any or all Cars, whereupon all right of Lessee to the use and possession of such Car or Cars shall absolutely cease and terminate as though this Agreement had never been made, but

Lessee shall remain liable as hereinafter provided, and thereupon Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Cars may be and without any court order or other process of law take possession of all or any of such Cars and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its successors or assigns, to use the Cars for any purposes whatever, Lessee hereby waiving any and all damages occasioned by such taking of possession, but Lessor shall, nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Agreement 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 multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from Lessee the following amounts as a part of Lessor's damages:

(i) the Stipulated Loss Value of the Cars as of the date of default, as that value is set forth in the Schedule of Stipulated Loss Values, Exhibit "C" hereto, subject to credit or reimbursement by Lessor to Lessee for any rentals Lessor may earn on the Cars from the date of default to the end of the Initial Term, net of Lessor's expenses incurred in connection with such re-leasing, the amount of such credit or reimbursement to be limited to the Stipulated Loss Value paid by Lessee pursuant to this section, such net rentals or credit to be paid to or credited to Lessee's account

within a reasonable time after their receipt by Lessor, or, alternatively, subject to such credit or reimbursement for the net proceeds of any sale of the Cars by Lessor (the parties hereto expressly agreeing that such sale shall be deemed to have been made in a commercially reasonable manner) concluded prior to the end of the Initial Term, net of Lessor's expenses incurred in connection with such sale, the amount of such credit or reimbursement to be limited to the amount of the Stipulated Loss Value paid by Lessee pursuant to this section; and

- (ii) a reasonable provision for expenses incidental to the Lessor's enforcement of its rights hereunder including, but not limited to, expenses of taking possession of the Cars if the Cars have not been delivered to Lessor by Lessee as provided under section 14 hereof; and
- (iii) any damage which the Lessor shall have sustained by reason of the breach of any covenants of this Agreement; and
- (iv) interest on any of the above amounts at the Penalty Interest Rate from the date of default until the date of payment; and
- (v) reasonable attorneys' fees and costs of suit incurred in connection with the enforcement of the provisions of this Agreement.

provided, however, that in the event the United States Federal District Court for the Northern District of Illinois finds that Lessee is unable to transport the traffic offered it because its cash position makes the continuing operation of the debtor impossible or finds any other facts which result in an order that the Lessee discontinue service and/or liquidates the assets of the Lessee, and further provided that the Cars are returned to Lessor and that Lessee is not in default of any provision of this Agreement, Lessor agrees to waive its rights to the Stipulated Loss Value and any claim against the assets of the Lessee under subsection b(i) above and Lessee waives its right to be reimbursed under subsection b(i) above.

The remedies of this Agreement provided in favor of 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 and may be enforced concurrently therewith or from time to time. Lessor's failure to enforce any provision hereof or its failure to avail itself of any remedy afforded hereunder shall not be deemed a waiver thereof. Lessee hereby waives any provision of any law now or hereafter in effect which might limit or modify any of the remedies of Lessor provided hereunder or exempt any property of Lessee, except insofar as such waiver would conflict with the Bankruptcy Act.

14. Return of Cars Upon Termination. Upon termination of the lease embodied in this Agreement for any reason, Lessee shall forthwith deliver possession of the Cars to Lessor in their original condition, reasonable wear and tear excepted but in any event suitable for use in interchange. For the purpose of delivery of possession of the Cars to Lessor as above required, Lessee shall at its own cost, expense and risk:

(a) forthwith place the Cars upon such storage tracks of Lessee as Lessor may reasonably designate;

(b) permit Lessor to store the Cars on such tracks at Lessee's risk for a period not to exceed six (6) months; and

(c) transport the same to any place on the lines of the Lessee as now constituted.

The assembling, delivery, storage and transporting of the Cars as herein provided shall be at Lessee's expense and risk and are of the essence of this Agreement, and upon application to any court of equity having jurisdiction

in the premises Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Cars. During any storage period, Lessee will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of any Car, to inspect the same. If the termination of this lease is a direct result of the Court in the Reorganization Proceedings ordering the Lessee to discontinue service and/or the liquidation of Debtor's railroad property and such order is not rescinded within 30 days of such order, the assembly, storing and transporting as provided herein will be performed by the Lessee to the best of its ability; provided that, in any event, the assembling, storing and transportation of the Cars as aforesaid shall be at the expense of the Lessee.

Without in any way limiting Lessee's obligation hereunder, Lessee hereby irrevocably appoints Lessor as Lessee's agent and attorney, with full power and authority, at any time while Lessee is obligated to deliver possession of any Car to Lessor, to demand and take possession of such Car, in the name and on behalf of Lessee, from whoever shall be in possession of such Car at the time.

15. Assignment; Possession and Use. This Agreement may be assigned in whole or in part by Lessor without Lessee's consent, but Lessee shall be under no obligation to any assignee of Lessor except upon written notice of such assignment from Lessor. In the event of Lessor's assignment, Lessor's transferee or assignee shall have, to the extent transferred or assigned to it, all rights, powers, privileges and remedies of Lessor hereunder. Lessee

agrees that no such transferee or assignee shall assume any obligation (except the obligation of quiet enjoyment free from hindrance from those claiming by or under such transferee or assignee) of Lessor hereunder, and that the obligations of Lessee hereunder shall not be subject, as against any such transferee or assignee, to any defense, set-off or counterclaim available to Lessee against Lessor and that the same may be asserted only against Lessor. It is understood and agreed, however, that Lessee may separately claim against Lessor as to any matters which Lessee may be entitled to assert against Lessor. All the rights of Lessor hereunder (including, but not limited to, the rights to receive the rentals payable under this Agreement) shall inure to the benefit of Lessor's assigns. Whenever the term Lessor is used in this Agreement it shall apply and refer to each such assignee of Lessor.

So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession and use of the Cars in accordance with the terms of this Agreement. Lessee shall not assign or transfer its leasehold interest under this Agreement.

Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created or incurred by Lessor which is not the result of any act or omission of Lessee) upon or with respect to any Car, including any accession thereto, or the interest of Lessor, or Lessee therein, and will promptly discharge any such lien, claim, security

interest or encumbrance which arises. Lessee shall not, without Lessor's prior written consent, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Cars, except as permitted herein.

So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession of the Cars and to the use of the Cars upon lines of railroad owned or operated by it or upon lines of railroad over which Lessee has trackage or other operating rights or over which Lessee's railroad equipment is regularly operated pursuant to contract, and also to permit the use of the Cars upon connecting and other carriers in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Agreement, provided, however, that Lessee shall not assign or permit the assignment of any Car to service involving the regular operation and maintenance thereof outside the United States of America or any operation and maintenance thereof at any time outside the United States of America and the Dominion of Canada. Lessee may receive and retain compensation for such use from other railroads so using any of the Cars.

In the event that the Reorganization Proceedings shall be dismissed or terminated or the property of the Debtor surrendered by the Trustee or his successor or successors, the Lessor shall receive prior notification of the proposed dismissal, termination or surrender.

Whenever used in this Agreement, the term "Trustee" shall be deemed to include any corporation (including the Debtor), receiver or receivers in

equity, trustee or trustees, purchaser or transferee of any purchaser which shall have assumed and agreed to perform each and all of the obligations and covenants of the Trustee hereunder.

16. Notices. Any notice required or permitted to be given by or to either party hereto shall be deemed to have been given when deposited in the United States mails, in certified or registered form, postage prepaid.

17. Law Governing. This Agreement shall be construed in accordance with the laws of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording, or depositing hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement shall be filed, recorded or deposited.

18. Modification of Agreement. Except as specifically provided for under the terms of this Agreement, no modification, extension, waiver, renewal or termination of this Agreement, or any of its provisions, shall be binding on either party hereto unless made in writing on its behalf by the duly authorized representative of said party.

19. Annual Reports. On or before May 1 in each year, commencing with the year 1978, Lessee will furnish to Lessor an accurate statement as of the preceding December 31 (a) of Lessee's financial position including a balance sheet and statement of profit and loss and such other information as Lessor shall reasonably request, prepared and certified or reviewed by independent certified public accountants, (b) showing the amount, description and numbers of the Cars then leased hereunder, the amount,

description and numbers of all Cars that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Agreement, in the case of the first such statement), and such other information regarding the condition and state of repair of the Cars as Lessor may reasonably request, and (c) stating that, in the case of all Cars repainted during the period covered by such statement, the markings required by section 5 hereof. shall have been preserved or replaced.

Lessor shall have the right, by its authorized representatives but shall be under no obligation, to inspect the Cars and Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of the lease embodied in this Agreement. Lessee's obligations respecting the Cars shall not be diminished in any manner by any failure of Lessor to so inspect.

20. Opinion of Counsel. At the time this Agreement is executed, Lessee will deliver to Lessor two counterparts of the written opinion of counsel for Lessee, addressed to Lessor, in scope and substance satisfactory to counsel for Lessor, to the effect that:

A. Trustee is the duly qualified trustee of the property of Debtor, pursuant to an order of the United States District Court for the Northern District of Illinois in connection with the reorganization proceedings of Debtor, under Section 77 of the Bankruptcy Act;

B. The execution and delivery of this Agreement have been duly authorized by all necessary action and have been approved by the

United States District Court for the Northern District of Illinois in connection with its jurisdiction under Chicago, Rock Island and Pacific Railroad Company's petition for reorganization under Section 77 of the Bankruptcy Act, upon due notice, and has been duly executed and delivered by the Trustee and constitutes a valid, legal and binding obligation of Trustee, enforceable in accordance with its terms;

C. This Agreement has been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and such filings and recordation will protect Lessor's interest in and to the Cars and no filing, recording or deposit (or giving of notice) with any other federal, state or local government is necessary in order to protect the interest of Lessor in and to the Cars;

D. No approval is required from any public regulatory body with respect to the Lessee entering into or performing this Agreement;

E. The entering into and performance of this Agreement do not violate and will not result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which Lessee is a party or by which it may be bound; and

F. No existing mortgage, deed of trust, or other lien of any nature whatsoever which now covers or affects, or which may hereafter

cover or affect, any property or interests therein of Lessee, now attaches or hereafter will at any time attach to the Cars or in any manner now affects adversely, or hereafter will at any time affect adversely, Lessor's right, title and interest therein, so long as the Cars remain subject to this Agreement.

21. Recording; Expenses. Lessee will cause, at its expense, this Agreement to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. Lessee will undertake the filing, registering, deposit and recording required of Lessor hereunder and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will file, reregister, deposit and re-deposit and re-record whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to Lessor's satisfaction, of Lessor's interests in the Cars, or for the purpose of carrying out the intention of this Agreement; and Lessee will promptly furnish to Lessor evidences of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for Lessee with respect thereto satisfactory to Lessor.

22. Federal Income Taxes. If, for each year this lease is in effect, beginning in 1978,

(i) Lessor shall not be entitled to such depreciation deductions, credits and other benefits as are provided for Federal income tax purposes by the Internal Revenue Code of 1954 as amended to the date hereof (the "Code") as the owner of the Cars, including without limitation the 10% investment tax credit and an allowance for depreciation based on the maximum deduction possible and any accelerated method and Asset Depreciation Range permitted by the Code and the Income Tax Regulations promulgated thereunder; or (ii) if any such deductions, credits or other benefits are lost, disallowed or recaptured, in whole or in part; or (iii) if the rate, manner or basis of taking any such depreciation deductions, credits or other benefits shall be changed or affected, in whole or in part by reason of any of the following events:

(a) "The original use" of the Cars did not commence with the Lessor pursuant to Section 167(c) of the Code and Section 1.48.2 of the Income Tax Regulations promulgated thereunder;

(b) any of the Cars were not placed in a condition or state of readiness and availability for functioning so as to be deemed to be "first placed in service" by Lessor within the year 1978 pursuant to Sections 1.167(a)-11 and 1.46-3(d) of the Income Tax Regulations;

(c) any action which Lessee takes or fails to take in respect of its income tax returns or otherwise;

(d) any use, operation, improvement, alteration or location of any of the Cars by Lessee or any other party having possession or

control of such Cars, whether or not authorized or contemplated under the terms of this lease;

(e) the removal from service (unless Lessor has been paid the Stipulated Lost Value pursuant to Section 7 hereof) of or substitution for any Car, or the replacement of any part or portion thereof, whether or not such removal, substitution or replacement is authorized or contemplated under the terms of this lease, or by subsequent agreement among the parties hereof;

(f) any change or amendment in the Code or any change in any rule or regulation promulgated by the Internal Revenue Service under the Code prior to the time any of the Cars are accepted by Lessee pursuant to section 1 hereto; or

(g) Lessee or any officer, employee or counsel thereof shall make any representation of fact, estimate, opinion, or other statement which, in the opinion of the Internal Revenue Service, proves to be fraudulent, untrue, incorrect, misleading, unreasonable, or insufficient in whole or in part; or Lessee or any officer, employee or counsel thereof shall fail to state any material fact in connection with this Agreement or any documents related hereto;

then, whether or not such foregoing event shall be the sole cause of such disallowance, recapture or loss, Lessee agrees to pay Lessor the following amounts:

(a) a sum (computed separately for each taxable year or portion thereof) which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of the United States or any state, city, or other political subdivision thereof, shall be equal to:

(i) the amount of the investment tax credit lost by Lessor as a result of not being allowed to Lessor in the amounts contemplated as aforesaid; or

(ii) the increase in Lessor's tax on account of the recapture of any investment tax credit contemplated as aforesaid; plus

(iii) an amount sufficient to give Lessor the same after-tax cash flow for such taxable year (or portion thereof) as is contemplated by this Agreement and would have resulted had depreciation deductions and other Federal tax benefits (except investment tax credit) been allowed to Lessor in the amounts contemplated as aforesaid.

(b) the reasonable costs (including without limitation, court costs and reasonable attorneys' fees) and expenses of the Lessor in connection with the payment, or defense against an action for non-payment, of the amounts corresponding to the depreciations benefits or investment credits lost, disallowed, recaptured or which may not be claimed; and

(c) the amount of all interest and penalties which may be assessed by the United States Government, and all other political entities, against Lessor in connection with such loss, disallowance or recapture.

The foregoing amounts shall be payable in cash within ten (10) days after Lessor makes written demand therefor, except as hereinafter provided. This Section 22 shall continue in full force and effect, notwithstanding the expiration or other termination of this Agreement.

Upon receipt by Lessor and/or Lessee of any notice from the Internal Revenue Service of disallowance or proposed disallowance of any such depreciation deduction, credits or other benefits on any Car, Lessor or Lessee, as the case may be, shall give the other prompt notice thereof and shall keep the other informed as to the status and progress of any proceedings in connection therewith.

23. Conditions Precedent to Lessor's Obligations. The obligations of Lessor to acquire the Cars from Seller and to lease the Cars to Lessee are subject, at the time of payment for the Cars by Lessor in accordance with the provisions of Section 1 of this Agreement (the "Payment Date"), to the satisfaction of the following conditions:

(a) There shall exist no condition, event or act which would constitute an Event of Default and no condition, event or act which with the giving of notice or lapse of time, or both, would constitute such an Event of Default.

(b) All representations and warranties by Lessee contained herein or otherwise made in writing in connection herewith shall be true and correct with the same effect as though the representations and warranties had been made on and as of the date of such payment.

(c) All legal proceedings and all documents (including legal opinions) in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Lessor, and Lessor shall have received all information and copies of all documents, including records of corporate proceedings, which Lessor may reasonably have requested in connection therewith, such documents where appropriate to be certified by proper corporate or governmental authorities.

(d) The applicable law, rules or regulations of any public body or authority shall not: (i) prohibit Lessor from acquiring such Equipment and/or leasing same to Lessee; or (ii) after the date hereof, be changed so as to impose doing business restrictions or other requirements upon Lessor which Lessor shall have determined to be too burdensome.

(e) This Agreement and the Other Agreements shall have been duly filed, recorded and/or registered in each jurisdiction where permitted or as may be required by law to establish, perfect, protect and preserve the rights, titles, interests, remedies, powers and privileges of Lessor hereunder and thereunder.

(f) There shall have been duly delivered to Lessor by Lessee evidence satisfactory to Lessor as to the due compliance with the provisions of section 12 of this Agreement.

24. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

25. Other Obligations. Lessee agrees that, during the term of this Agreement, Lessee will not assume or enter into any other leases of equipment, equipment trust agreements, conditional sale agreements or other liabilities or obligations in connection with the leasing or financing of the acquisition of equipment, if such liabilities or obligations would be entitled, directly or indirectly, to any priority in right of payment over the obligations of the Lessee under this Agreement.

26. Additional Information. In addition to the information called for by section 19 hereof, Lessee will furnish to Lessor such other information, including but not limited to information with respect to Lessee's financial position and business and with respect to the Cars, at such times and for such period or periods as Lessor may from time to time reasonably request.

27. Miscellaneous. Any other provision contained in this Agreement to the contrary notwithstanding, it is hereby agreed that, unless clearly inappropriate by its terms, the termination of the leasing of the Cars under the terms of the lease embodied in this Agreement, shall not cut off or otherwise in any way adversely affect any accrued rights of either party hereunder.

Subject to the provisions hereof, this Agreement shall bind and inure to the benefit of the parties hereof and their respective successors and assigns.

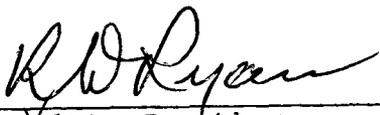
The parties hereto agree that, in connection with the performance of all acts and duties required hereunder, time is of the essence of this Agreement.

IN WITNESS WHEREOF, INTENDING TO BE LEGALLY BOUND HEREBY, Lessor and Lessee, each pursuant to due authority, have caused these presents to be signed in their respective names and their respective seals to be hereunto affixed as of the date first above written.

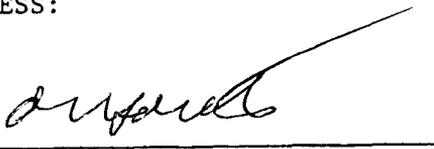
ATTEST:


Assistant Secretary

U. S. STEEL CREDIT CORPORATION

By 
Vice President

WITNESS:




William M. Gibbons
Trustee of the property of
Chicago, Rock Island and Pacific
Railroad Company, Debtor, and
not individually

STATE OF ILLINOIS

)

COUNTY OF COOK

)

ss.

)

On this 19th day of August, 1977, before me personally appeared William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company, Debtor, signer and sealer of the foregoing instrument, and he acknowledges same to be his free act and deed pursuant to Order No. 107 of the United States District Court for the Northern District of Illinois in Proceedings bearing No. 75 B 2697, ^{Exhibit D, hereto} as such Trustee, before me.

John D. Cicco

 Notary Public

MY COMMISSION EXPIRES OCT. 26, 1977

(notarial)



PURCHASE ORDER CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY

WILLIAM M. GIBBONS, TRUSTEE
PURCHASING DEPARTMENT
745 SOUTH LA SALLE STREET
CHICAGO, ILLINOIS 60605
TELEPHONE: (312) 425-7504

DEBIOR EXHIBIT A
OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, SHIPPING MEMOS, BILLS OF LADING AND PACKAGES. ALL CORRESPONDENCE SHOULD BE DIRECTED TO:
J J NAGLE

DATE **JULY 13, 1977**

TO: **GREENVILLE STEEL CAR COMPANY**
GREENVILLE, PA 16125

INDIVIDUAL INVOICES IN TRIPLICATE TO BE RENDERED FOR EACH PARTIAL SHIPMENT MADE AGAINST THIS ORDER TO DIRECTOR DISBURSEMENTS ACCOUNTING 745 SO LA SALLE STREET CHICAGO ILLINOIS 60605

VENDOR PLEASE ENTER THIS ORDER SUBJECT TO ALL CONDITIONS TERMS AND SPECIFICATIONS ON FACE AND REVERSE SIDE OF THIS SHEET

SHIP TO: **CRISP RR. c/o**
TO BE ADVISED LATER

THIS IS TO CERTIFY THAT THIS MATERIAL IS FOR USE AS ROLLING STOCK MOVING IN INTERSTATE COMMERCE AND EXEMPT FROM ILLINOIS RETAILERS OCCUPATION TAX AND USE TAX

THIS IS TO CERTIFY THAT THIS MATERIAL IS INTENDED FOR TEMPORARY STORAGE ONLY IN ILLINOIS AND IS EXEMPT FROM ILLINOIS USE TAX

VIA _____ TAX STATUS **C**
TERMS (SEE BELOW) (printing date unless otherwise specified) **PLANT GREENVILLE, PA.** REQ NO _____ DATE REQUIRED DEST N **3-1-78**

VENDOR # **28278** LOCATION CODE _____ PURCHASE ORDER # **A-36879** RELEASE # _____

QUANTITY	UNIT	MATERIAL CODE NUMBER	DESCRIPTION AND PART NUMBER	% DISCOUNT	PRICE
----------	------	----------------------	-----------------------------	------------	-------

300	EA	20-991-36879	100 TON, 3420 CU. FT. OPEN TOP TRIPLE HOPPER CARS IN ACCORDANCE WITH YOUR LETTER PROPOSAL DATED JULY 7, 1977. PRICE: \$27,750.00 PER CAR LABOR FIRM, ESCALATION ON STEEL, SPECIALTY ITEMS, AND ALL OTHER MATERIALS WILL NOT EXCEED \$800.00 WITH A CAR PRICE MAXIMUM OF \$28,540.00.		
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DELIVERY: MARCH 1978 (6) TO (9) CARS PER DAY.

CAR NUMBERS: ROCK 610000 - 610299 INCLUSIVE

TERMS: NET CASH IN ACCORDANCE WITH TERMS AND PROVISIONS OF LEASE DOCUMENTATION, AND CONTINGENCY CLAUSE.

FINANCING: THIS ORDER IS SUBJECT TO ASSIGNMENT OR FINANCING UNDER SALE AGREEMENT, SECURITY AGREEMENT, FINANCE AGREEMENT, ETC.

CC: **J W INGRAM**
P H BANNER
V C BOHNE
F B FINDLING
O L HOUTS (3) ✓
N G MANOS
B G STRAUSS
N D SWAIN
FILE 1468-1 (2)

SHEET 1 OF 2

YOUR QUOTATION DATED _____
FORM 7017 PART
(REV 7/76)

DIRECTOR OF PURCHASES AND STORES

OUR MATERIAL CODE NUMBERS MUST BE SHOWN ON INVOICES

TO BE USED FOR _____ JOINT WITH _____

AFE NO	DIV	STATE	ACCOUNT		CLASS	COST CENTER	COST CODE	PURPOSE CODE	KIND	AMOUNT	APPROVALS	DATE
			PR	SUB								

PURCHASE ORDER NUMBER **A-36879**

RELEASE # _____



PURCHASE ORDER CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY

DEBTOR

WILLIAM M. GIBBONS, TRUSTEE
PURCHASING DEPARTMENT
745 SOUTH LA SALLE STREET
CHICAGO, ILLINOIS 60605

OUR PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES SHIPPING MEMOS BILLS OF LADING AND PACKAGES ALL CORRESPONDENCE SHOULD BE DIRECTED TO:

J J INGRAM

DATE JULY 13, 1977

TELEPHONE: (312) 435-7506

TO: **GREENVILLE STEEL CAR COMPANY**

GREENVILLE, PA 16125

INDIVIDUAL INVOICES IN TRIPLICATE TO BE RENDERED FOR EACH PARTIAL SHIPMENT MADE AGAINST THIS ORDER TO DIRECTOR DISBURSEMENTS ACCOUNTING 745 SO LA SALLE STREET CHICAGO ILLINOIS 60605

VENDOR PLEASE ENTER THIS ORDER SUBJECT TO ALL CONDITIONS TERMS AND SPECIFICATIONS ON FACE AND REVERSE SIDE OF THIS SHEET

THIS IS TO CERTIFY THAT THIS MATERIAL IS FOR USE AS ROLLING STOCK MOVING IN INTERSTATE COMMERCE AND EXEMPT FROM ILLINOIS RETAILERS OCCUPATION TAX AND USE TAX

THIS IS TO CERTIFY THAT THIS MATERIAL IS INTENDED FOR TEMPORARY STORAGE ONLY IN ILLINOIS AND IS EXEMPT FROM ILLINOIS USE TAX

SHIP TO R&P RR c/o **TO BE ADVISED LATER**

VIA

TAX STATUS **C**

SEE BELOW

PLANT GREENVILLE, PA.

REQ. NO

DATE REQUIRED DEST N **3-1-78**

ENDOR # **28278** LOCATION CODE **PURCHASE ORDER # A-36879** RELEASE #

QUANTITY	UNIT	MATERIAL CODE NUMBER	DESCRIPTION AND PART NUMBER	% DISCOUNT	PRICE
----------	------	----------------------	-----------------------------	------------	-------

CONTINGENCY: THIS ORDER AND THE ACQUISITION OF THE EQUIPMENT HEREUNDER IS CONTINGENT UPON WILLIAM M. GIBBONS, TRUSTEE OF THE PROPERTY OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY BEING PROVIDED WITH A SATISFACTORY NET EQUIPMENT LEASE AND THE APPROVAL OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, IN THE MATTER OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY, DEBTOR, NO. 75 B 2697."

- CC: J W INGRAM
- P H BANNER
- V C BOHNE
- F B FINDLING
- O L HOUTS (3)
- N G MANOS
- B G STRAUSS
- N D SWAIN
- FILE 1468-1 (2)

SHEET 2 OF 2

John W. Burnett
DIRECTOR OF PURCHASES AND STORES

YOUR QUOTATION DATED _____
FORM 2361 7 PART
(REV. 7/76)

OUR MATERIAL CODE NUMBERS MUST BE SHOWN ON INVOICES

TO BE USED FOR _____ JOINT WITH _____

AFE NO.	DIV.	STATE	ACCOUNT		CLASS	COST CENTER	COST CODE	PURPOSE CODE	KIND	AMOUNT	APPROVALS	DATE
			PR	SUB								

PURCHASE ORDER NUMBER **A-36879**

RELEASE # _____

CERTIFICATE OF ACCEPTANCE

Under Lease of Railroad Equipment dated as of August 12, 1977

The undersigned, being the duly authorized representative of William M. Gibbons, Trustee of the property of Chicago, Rock Island and Pacific Railroad Company, Debtor (Trustee), hereby certifies that the following railroad hopper cars referred to in the Lease of Railroad Equipment (Lease) between U. S. Steel Credit Corporation and the Trustee, dated as of August 12, 1977:

Chicago, Rock Island and
Pacific Railroad Company's

Quantity	Identifying Numbers	Date
----------	------------------------	------

have been duly delivered in good order by U. S. Steel Credit Corporation to the Trustee as lessee under the Lease and have been duly inspected and accepted by the undersigned on the said date on behalf of the Trustee as lessee as conforming in all respects to the requirements and provisions of the Lease.

The undersigned further certifies that at the time of its delivery to the Trustee each car covered by this Certificate was properly marked on each side thereof with the legend provided in Section 5 of the Lease.

Authorized Representative of
William M. Gibbons, Trustee of the
property of Chicago, Rock Island and
Pacific Railroad

EXHIBIT C to
 Agreement to Lease Railroad Equipment
 Dated as of August 12, 1977

Between
 U. S. STEEL CREDIT CORPORATION, LESSOR
 and

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

Schedule of Stipulated Loss Values

The Stipulated Loss Value of equipment shall be the sum of (i) any past due amounts payable under the Lease, including interest applicable thereto, (ii) the product in dollars of the cost to Lessor of the Car or Cars with respect to which Stipulated Loss Value is payable under the Lease and the percentage set forth below which is appropriate to the number of rent payments Lessee has actually paid to Lessor, and (iii) all taxes, fees and charges payable as a result of or in connection with payment of the foregoing amount.

<u>After Receipt of Rent Payment No.</u>	<u>In Lieu of Payment No.</u>	<u>Stipulated Loss Value Percentages</u>
0	1	102.000
1	2	102.394
2	3	103.029
3	4	103.541
4	5	104.115
5	6	104.442
6	7	104.707
7	8	104.903
8	9	105.032
9	10	105.101
10	11	105.116
11	12	105.066
12	13	98.543
13	14	98.368
14	15	98.143
15	16	97.853
16	17	97.502
17	18	97.089
18	19	96.629
19	20	96.105
20	21	89.110
21	22	88.464
22	23	87.772
23	24	87.017
24	25	86.204
25	26	85.330
26	27	84.412
27	28	83.432
28	29	75.984
29	30	74.888
30	31	73.748
31	32	72.548
32	33	71.292
33	34	69.979
34	35	68.624
35	36	67.210
36	37	65.741
37	38	64.237
38	39	62.712
39	40	61.151
40	41	59.558
41	42	57.928
42	43	56.275
43	44	54.583
44	45	52.857
45	46	51.093
46	47	49.300
47	48	47.468
48	49	45.598
49	50	43.588
50	51	41.746
51	52	38.761
52	53	37.736
53	54	35.669
54	55	33.564
55	56	31.414
56	57	29.222
57	58	26.983
58	59	24.703
59	60	22.375
60	Thereafter	20.000

EXHIBIT D

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In the Matter of)

CHICAGO, ROCK ISLAND AND)
PACIFIC RAILROAD COMPANY,)

Debtor.)

In Proceedings for the)
Reorganization of)
Railroad)

No. 75 B 2697

ORDER NO. 107 ON PETITION OF TRUSTEE
FOR AUTHORITY TO LEASE 300 OPEN HOPPER CARS

A TRUE COPY OF THIS ORDER
H. SWARTZ JUNIOR, CLERK

107 107 107

U.S. DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

This cause coming on to be heard upon the Petition of William M. Gibbons, the Trustee herein, praying for the entry of an order for authority to lease for a period of 15 years 300 open hopper cars, the detail of which is fully set forth and described in the said Petition filed herein, and due notice having been given to all parties entitled thereto; the Court having examined said Petition and being fully advised in the premises,

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. That the proposed lease attached to the Petition as Exhibit C be and the same is hereby approved.
2. That William M. Gibbons, the Trustee herein, be and he is hereby authorized to execute and deliver substantially in the form and content of said Exhibit C an Agreement To Lease Railroad Equipment and take all action as may be necessary and proper to implement same.
3. That the obligations of the Trustee undertaken by said Agreement To Lease Railroad Equipment shall constitute a Trustee's cost of administration entitled to priority with all other costs of administration, except that if the Trustee shall be obligated to surrender possession of the leased equipment prior to the stipulated termination date because of any of the reasons set forth under Section 13 of said lease, in such event

Lessor shall have no claim whatsoever against this estate or its Trustee other than for rentals or damages accrued and resulting from the operation of said equipment by the Trustee up to the date of the surrender of such possession.

4. That any right of the Lessor to take possession of the leased cars in compliance with the provisions of the said Agreement To Lease Railroad Equipment shall not be affected by the provisions of Section 77 of the Bankruptcy Act.

Dated: July 29, 1977

ENTER:

/s/ Frank J. McTear
District Judge