

AGREEMENT made and entered into this 15th day of January, 1974,
between

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

CHICAGO, ROCK ISLAND AND PACIFIC

RAILROAD COMPANY, a Delaware

7312

corporation.

REGISTRATION NO. _____ FILED AT _____

JAN 18 1974 - 10 30 AM

(hereinafter called "Lessee").

INTERSTATE COMMERCE COMMISSION

RECITALS

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

AGREEMENT

It Is Agreed:

1. *Lease of Cars.* United agrees to lease to Lessee and Lessee agrees to and does hereby lease from United that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Exhibit "A" attached hereto and by this reference made a part hereof. Lessee acknowledges that it has possession of all cars and has accepted same for all purposes of this Lease.

Upon recon-
struction by
United of any
Cars as pro-
vided in
Paragraph 3
hereof,

2. *Delivery of Cars.* United shall deliver the Cars as promptly as is reasonably possible from time to time in groups of no less than 10. United shall not be responsible for failure to deliver or delay in delivering Cars due to casualties and contingencies beyond its direct control, such as, but not limited to, labor difficulties, fire, delays and defaults of carriers and car and material suppliers.

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

3. *Condition of Cars - Acceptance.* SEE RIDER.

4. *Use and Possession.* The object of the continuation of this Lease, so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to each Car and any use such Car,

(a) on its own property or lines; and

(b) upon the lines of any railroad or other person, firm or corporation in the usual interchange of traffic for such compensation as Lessee may determine or as may be required by the then current Code of Rules Governing the Condition of, and Repairs to, Freight and Passenger Cars for the interchange of traffic adapted by the Association of American Railroads (hereinafter called the "Interchange Rules") but at all times subject to the terms and conditions of this Lease.

provided, however, that at all times the Cars shall be used only in the United States of America or in Canada and in a careful and prudent manner solely for the uses for which they were designed.

5. *Term -- Average Date.* This Lease shall be for a term (hereinafter referred to as the "original term") which shall commence on the date hereof

and shall terminate seven (.....7....) years from

the Average Date of Delivery unless sooner terminated in accordance with the provisions of this Lease. The Average Date of Delivery shall be determined after delivery of ^{such} Cars as follows,

of all re-constructed cars

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

in the form attached hereto as Exhibit -1

(b) the date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the Lessee.

A Car shall be conclusively deemed delivered to the Lessee on the earliest date shown on any of the following: (i) Certificate of Inspection and Acceptance or other writing accepting a Car signed by the Lessee; or (ii) a bill of lading showing delivery to Lessee or to a foreign line railroad for the account of Lessee.

and United;

6. *Option to Extend.* Hereby

7. *Rental.* SEE RIDER.

8. *Payment.* Lessee shall make payment of all sums due hereunder to United in Chicago funds at the address provided in Paragraph 23 hereof, or such other place as United may direct. Rental payments shall be made monthly in advance on or before the 1st day of each month for which such rental is due, except that the first full month's payment shall include rental covering any prior period of less than one month.

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

10. *Maintenance.* Lessee shall, ~~after reconstruction and~~ during the continuance of this Lease, promptly and with due diligence, keep and maintain the Cars in good working order and repair (ordinary wear and tear excepted) and make all replacements, changes or additions to the Cars or their equipment and appliances to the extent necessary or required from time to time,

(a) by the Interchange Rules; and

(b) by applicable laws and regulations of any state or governmental body, including specifically but not exclusively, the Interstate Commerce Commission,

all at Lessee's own cost and expense and without any abatement in rent or other loss, cost or expense to United; provided, however, that the provisions of Paragraph 17 hereof shall apply in the event of damage or destruction beyond repair. Any parts, replacements, or additions made to any car shall be accessions to such Car and title thereto shall be immediately vested in United without cost or expense to United.

11. *Taxes and Other Levies.* Lessee shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes levied or assessed during the continuance of this Lease upon the Cars or the interest of the Lessee therein or any thereof, or upon the use or operation thereof or the earnings arising therefrom, and if any levy or assessment is made against United on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of United therefrom (except any such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), Lessee will promptly pay or reimburse United for same; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgement of United, the rights or interests of United in and to the Cars will be materially endangered. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee will either make such reports in such manner as to show the ownership of such Cars by United or will notify United of such requirements and will make such report in such manner as shall be satisfactory to United.

12. *Liens.* Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect United's title, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease, and shall promptly discharge any such lien, encumbrance or legal process, except such as are permitted by United under Paragraph 11 hereof.

13. *Indemnity - Patent Covenants.* Lessee agrees to indemnify United and save it harmless from any charge, loss, claim, suit, expense or liability which United may suffer or incur and which arises in connection with the use or operation of a Car or Cars while subject to this Lease (but not while in United's shop or possession) and without regard as to how such charge, loss, claim, suit, expense or liability arises, including without limiting the generality of the foregoing, whether it arises from latent or other defects which may or may not have been discoverable by United. United agrees to indemnify Lessee and save it harmless against any charge, loss, claim,

Prior to reconstruction Lessee shall at its own cost and expense see that Cars are complete in all parts neither burned, wrecked, nor otherwise materially or substantially damaged and in compliance with the requirements of subpara (a) and (b) of this Paragraph 10.

suit, expense or liability arising out of or on account of the use or incorporation by United upon delivery of a Car or upon the making of repairs thereto by United, of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of the specifications in Exhibit A-1 hereto. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

14. *Warranty - Representations.* Except as otherwise provided in Paragraph 3(g), United makes no warranty or representation of any kind whatsoever, either express or implied as to any matter whatsoever, including specifically but not exclusively, fitness, design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder, and United shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential on account of any matter which would otherwise constitute a breach of warranty or representation. ~~United agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any new Cars and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights.~~ Lessee represents that all of the matters set forth in Paragraph 22(a) through and including (e) shall be and are true and correct at all times that any Car becomes subject to this Lease.

15. *Car Marking.* Each Car upon reconstruction will be distinctly, permanently and conspicuously marked in stencil by party performing the reconstruction work with one of the new reporting numbers and marks specified in Exhibit A hereto and a legend on each side in letters not less than three-quarter inches (3/4") in heights substantially as follows:

UNITED STATES RAILWAY EQUIPMENT CO.
Lessor

The name of any assignee of United's interest or trustee or mortgagee having an interest in the Car shall also appear if requested by United or such other party, or in lieu thereof United may add the following inscription:

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

Lessee shall immediately replace any such stenciling which may be removed, destroyed or become illegible wholly or in part. Upon Lessee's request United shall furnish a stencil with the form of the marks, numbers and legend. Except for the numbering and stenciling as provided herein, and such markings as Lessee desires to indicate its interest hereunder, Lessee shall keep the Cars free from any marking or labeling which might be interpreted as a claim of ownership thereof by Lessee, or any party other than United.

16. *Inspection - Inventory.* During the continuance of this Lease, United shall have the right, at its own cost and expense, to inspect the Cars at any reasonable time or times wherever the Cars may be. Lessee shall, upon request of United, but no more than once every year, furnish to United two (2) copies of an accurate inventory of all Cars in service.

17. *Loss, Theft or Destruction of Cars.* In the event any Car is lost or stolen or is destroyed or damaged beyond economic repair from any cause whatsoever, Lessee shall promptly and fully inform United of such occurrence and shall within thirty (30) days after the date of such notice, pay to United, as liquidated damages in lieu of any further claim of United hereunder except for accrued rent and such claims as arise or exist under Paragraphs 11, 12 and 13, an amount in cash equal to:

- (a) the present worth, as hereinafter defined, of the total remaining rental for such Car which would otherwise accrue during the original term as defined in Paragraph 5, from the date of such occurrence to the last day of such term; plus
- (b) the net scrap value, as hereinafter defined, for such Car.

If any such loss, destruction or damage occurs off the line of Lessee, United may elect in lieu of the amount provided in Paragraphs (a) and (b) to receive a sum equal to the settlement basis provided by the Interchange Rules. The present worth of the total remaining rental as used in this Paragraph 17 (a) shall mean an amount equal to the rental discounted on a five per cent (5%) per annum basis (compounded annually from the date of such occurrence to the end of the original term). The net scrap value shall mean an amount in cash equal to the current quoted price per net ton of No. 1 Heavy Railroad Melting Steel Scrap, prevailing at Pittsburgh, Pennsylvania and Cleveland, Ohio; and Chicago, Illinois as published in *Iron Age* or other reputable industrial

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journals, on the first day of the month preceding the month in which payment of such net scrap value is required to be made, multiplied by **twenty-four and eight-tenths** (....**24,8**.....) tons.
 In the event any of the Cars are destroyed or damaged beyond economic repair on the line of Lessee, United may, at its option, in lieu of receiving the net scrap value of such Cars, elect that Lessee return such damaged or destroyed Cars to United either on wheels or in cars at such point on Lessee's line as United may designate. United shall make such election in writing within fifteen (15) days after receiving Lessee's notice that Cars have been destroyed or irreparably damaged. This Lease shall continue in full force and effect irrespective of the cause, place or extent of any damage, loss or destruction of any of the Cars, the risk of which shall be borne by Lessee; provided, however, that this Lease shall terminate with respect to any Car which is lost, stolen or destroyed or damaged beyond repair on the date United shall receive payment of the amount required to be paid to it on account of such Car under this Paragraph 17. (Continued on Rider.)

18. *Return of Cars.* Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 17 hereof), Lessee shall at its sole cost and expense,

(a) forthwith surrender possession of such Car to United in the condition required by Paragraph 10 hereof by delivering same to **United's facility in Washington, Indiana, or if United so elects, to United's facility in Blue Island, Illinois; and**

(b) if United shall so request by written notice delivered prior to surrender of possession of such Car as above provided, provide suitable storage for such Car for a period of ninety (90) days from the date of expiration or termination and inform United of the place of storage and the reporting number of the Car there stored.

Delivery in storage shall constitute delivery of possession for the purpose of this Paragraph 18 and such storage shall be at the risk of United. Upon termination of the storage period or upon request of United prior thereto, Lessee shall cause the Car to be transported to United at the place and in the manner provided in Paragraph 18(a). Until the delivery of possession to United pursuant to Paragraph 18(a) or (b), Lessee shall continue to pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall, in addition, make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred.

19. *Default.* The term "event of default" for the purpose hereof shall mean any one or more of the following:

(a) non-payment by Lessee within thirty (30) days **after written notice** after the same becomes due of any installment of rental or any other sum required to be paid hereunder by Lessee;

(b) the Lessee shall default or fail for a period of thirty (30) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder;

(c) a decree or order shall be entered by a court having jurisdiction in the premises adjudging Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Lessee under the Federal Bankruptcy Act or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Lessee or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) days;

(d) the institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceedings or to any action taken or proposed to be taken in any proceedings or action described in Paragraph 19 (c), or the making by Lessee of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by Lessee in furtherance of any such action.

20. *Remedies.* Upon the happening of an event of default, United, at its option, may:

(a) proceed by appropriate court action either at law or in equity for specific per-

formance by the Lessee of the applicable covenants of this Lease or to recover from Lessee all damages, including specifically but not exclusively, expenses and attorneys' fees which United may sustain by reason of Lessee's default or on account of United's enforcement of its remedies hereunder;

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

(c) declare this Lease terminated and recover from Lessee all amounts then due and payable plus, as liquidated damages for loss of the bargain and not as penalty, a sum which represents the excess of the present worth, at the time of such termination, if any, of the aggregate rental which would have thereafter accrued from the date of such termination to the end of the original term over the then present worth of the fair rental value of the Cars for such period. Present worth is to be computed in each case on the basis of a five per cent (5%) per annum discount, compounded annually from the respective dates upon which rental would have been payable hereunder had this Lease not terminated. In addition to the foregoing, United shall recover any damages sustained by reason of the breach of any covenant of the Lease other than for the payment of rental;

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

The remedies provided in this Paragraph 20 in favor of United shall not be deemed exclusive but shall, where not by rule of law inconsistent with each other, be cumulative and may be availed of singly, in combination, or all together and in any order, and shall be in addition to all other remedies, in United's favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify any of the remedies herein provided to the extent that such waiver is permitted by law.

21. *Sublease and Assignment.* Lessee shall have the right to sublease any of the Cars, subject at all times to the terms hereof, and each of the parties shall have the right to assign the Lease or their rights thereunder only as follows:

(a) all rights of United hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to Lessee, but subject to Lessee's rights under this Lease. If United shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee. Lessee will not amend, alter or terminate this Lease without the consent of the assignee while such assignment is in effect. The rights of any assignee or any party or parties on behalf of whom such assignee is acting shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether arising out of any breach of any obligation of United hereunder or by reason of any other indebtedness or liability at any time owing by United to the Lessee;

(b) Lessee shall not assign this Lease without the written consent of United provided, however, that Lessee may assign all of its rights under this Lease to another railroad corporation which succeeds to all or substantially all of the assets and business of the Lessee provided that such successor shall assume all of the obligations of the Lessee hereunder.

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

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

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

(b) this Lease constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

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

(d) no recording, filing or depositing of this Lease, other than with the Interstate Commerce Commission, in accordance with Section 20(c) of the Interstate Commerce Act, is necessary to preserve or protect the title of United or its assignee in the United States of America; and

(e) no governmental authorization or approval is necessary in connection with the Lease or any other action contemplated hereunder.

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

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

or at such other address as United may from time to time designate by notice in writing, and to:

Lessee at:
139 West Van Buren Street
Chicago, Illinois 60605
.....

or any such other place as Lessee may from time to time designate by notice in writing.

24. *Recording of Lease.* Prior to the delivery and acceptance of the first Car, United intends, without expense to Lessee, to cause this Lease and any assignment thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by United, for the purpose of proper protection to the satisfaction of counsel for United, of its title to the Cars, or for the purpose of carrying out the intention of this Lease. Except as hereinbefore provided, Lessee will pay all costs, charges and expenses incident to the filing, refile, registering, reregistering, recording and rerecording of any such further instrument or incident to the taking of any such other action, and will furnish to United certificates or other evidence of any such action.

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

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

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

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

29. *Past Due Rental.* Anything to the contrary herein contained notwithstanding, any non-payment of rentals or other sum due hereunder, whether during the thirty (30) day period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount equal to ~~ten per cent~~ per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of the overdue rentals for the period of time during which they are overdue.

30. *Benefit.* The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties, their successors and assigns (to the extent permitted in Paragraph 21 hereof) and the term "United" and the term "Lessee" shall mean, respectively, all of the foregoing persons who are at any time bound by the terms hereof. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 13 hereof shall apply to and inure to the benefit of any assignee of United, and if such assignee is a trustee under an indenture under which notes of United have been issued in connection with the financing of the Cars, then to any holder of such notes.

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

UNITED STATES RAILWAY EQUIPMENT CO.,
an Illinois corporation

By: *Ralph E Seel*
..... U.S.R.E. President

ATTEST:
[Signature]
..... Secretary

CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY,
a Delaware corporation

ATTEST:
[Signature]
..... Secretary

By: *[Signature]*
Chairman

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 17 day of January, 19 74, before me personally appeared Ralph E. Bell to me personally known, who being by me duly sworn, says that he is Vice President of the United States Railway Equipment Co., and Leonard Schanfield to me personally known to be the ASS'T Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Paula Jeller

Notary Public

My commission expires 4/16/75

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 17th day of January, 19 74, before me personally appeared to me personally known, who being by me duly sworn, says that he is T. E. Desch Chairman of Chicago, Rock Island and Pacific Railroad Company, and E. F. Wilkinson to me personally known to be the Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

John N. Piro
Notary Public

MY COMMISSION EXPIRES OCT. 26, 1977

LEASE - Group No. 10

EXHIBIT "A"

Lease dated January 15, 1974 by and between United States Railway
Equipment Co., ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD
COMPANY ("Lessee")

TYPE OF CAR:

New

Used

NUMBER OF CARS: 27 50 ton 50'6" steel sheathed boxcars with
12'3" plug and sliding doors

63 50 ton 50'6" steel sheathed boxcars with
15' double sliding doors

*REPORTING NUMBERS AND MARKS:

OLD NUMBERS

NEW NUMBERS

See Appendix A

SPECIFICATIONS DESIGNATED BY LESSEE:

All cars to be reconstructed in accordance with the Recon-
struction Specifications dated January 2, 1974*, appli-
cable to each group of cars in a different numbered series,
copies of which are attached hereto as Exhibit A-1.

*Revised January 14, 1974.

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

) Ton 2750 cu. ft. triple dump all steel open top hopper cars.

LD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER	OLD NUMBER	NEW NUMBER
009000	100000	009077	100055	009157	100110	009226	100165
009001	100001	009078	100056	009158	100111	009227	100166
009002	100002	009079	100057	009159	100112	009240	100167
009003	100003	009081	100058	009160	100113	009241	100168
009004	100004	009084	100059	009161	100114	009242	100169
009005	100005	009086	100060	009162	100115	009245	100170
009006	100006	009087	100061	009164	100116	009246	100171
009007	100007	009088	100062	009165	100117	009248	100172
009008	100008	009090	100063	009166	100118	009249	100173
009009	100009	009094	100064	009167	100119	009250	100174
009010	100010	009095	100065	009168	100120	009252	100175
009011	100011	009096	100066	009169	100121	009253	100176
009012	100012			009170	100122	009254	100177
009013	100013	009099	100068	009171	100123	009255	100178
009014	100014	009100	100069	009172	100124	009256	100179
009015	100015	009101	100070	009174	100125	009257	100180
009017	100016	009102	100071	009175	100126	009258	100181
009016	100017	009107	100072	009176	100127	009259	100182
009019	100018	009108	100073	009177	100128	009261	100183
009020	100019	009109	100074	009178	100129	009263	100184
009021	100020	009112	100075	009180	100130	009265	100185
009023	100021	009114	100076	009181	100131	009266	100186
009024	100022	009115	100077	009182	100132	009267	100187
009025	100023	009116	100078	009184	100133	009269	100188
009026	100024	009117	100079	009185	100134	009271	100189
009027	100025	009118	100080	009186	100135	009272	100190
009028	100026	009119	100081	009187	100136	009273	100191
009029	100027	009120	100082	009190	100137	009274	100192
009030	100028	009121	100083	009191	100138	009275	100193
009031	100029	009122	100084	009193	100139	009276	100194
009034	100030	009123	100085	009195	100140	009277	100195
009035	100031	009124	100086	009197	100141	009279	100196
009037	100032	009126	100087	009198	100142	009280	100197
009039	100033	009127	100088	009200	100143	009282	100198
009040	100034	009129	100089	009202	100144	009283	100199
009045	100035	009130	100090	009203	100145	009284	100200
009047	100036	009131	100091	009205	100146	009287	100201
009048	100037	009133	100092	009207	100147	009290	100202
009049	100038	009134	100093	009208	100148	009291	100203
009050	100039	009135	100094	009209	100149	009292	100204
009051	100040	009136	100095	009210	100150	009295	100205
009054	100041	009137	100096	009212	100151	009296	100206
009055	100042	009138	100097	009214	100152	009297	100207
009056	100043	009139	100098	009215	100153	009298	100208
009061	100044	009140	100099	009220	100154	009299	100209
009062	100045	009143	100100	009222	100155	009300	100210
009063	100046	009144	100101	009223	100156	009301	100211
009065	100047	009145	100102	009224	100157	009302	100212
009066	100048	009146	100103	009225	100158	009304	100213
009067	100049	009147	100104	009227	100159	009305	100214
009069	100050	009148	100105	009229	100160	009306	100215
009070	100051	009152	100106	009230	100161	009308	100216
009072	100052	009153	100107	009231	100162	009310	100217
009074	100053	009154	100108	009233	100163		

70 Ton 2750 cu. ft. triple dump all steel open top hopper cars

OLD NUMBER	NEW NUMBER						
009317	100220	009394	100275	009465	100330	009554	100385
009318	100221	009395	100276	009466	100331	009555	100386
009319	100222	009396	100277	009467	100332	009557	100387
009322	100223	009397	100278	009468	100333	009558	100388
009323	100224	009398	100279	009470	100334	009559	100389
009324	100225	009399	100280	009471	100335	009562	100390
009325	100226	009400	100281	009472	100336	009564	100391
009326	100227	009401	100282	009474	100337	009567	100392
009328	100228	009402	100283	009480	100338	009571	100393
009330	100229	009404	100284	009481	100339	009573	100394
009331	100230	009405	100285	009482	100340	009575	100395
009332	100231	009406	100286	009485	100341	009578	100396
009335	100232	009407	100287	009486	100342	009579	100397
009336	100233	009410	100288	009490	100343	009580	100398
009338	100234	009413	100289	009491	100344	009583	100399
009339	100235	009414	100290	009492	100345	009584	100067
009340	100236	009415	100291	009493	100346		
009342	100237	009416	100292	009494	100347		
009343	100238	009417	100293	009495	100348		
009344	100239	009418	100294	009496	100349		
009345	100240	009420	100295	009498	100350		
009346	100241	009421	100296	009500	100351		
009347	100242	009422	100297	009501	100352		
009348	100243	009423	100298	009503	100353		
009350	100244	009424	100299	009506	100354		
009351	100245	009426	100300	009508	100355		
009352	100246	009428	100301	009509	100356		
009353	100247	009429	100302	009510	100357		
009354	100248	009430	100303	009513	100358		
009355	100249	009431	100304	009514	100359		
009356	100250	009432	100305	009517	100360		
009358	100251	009433	100306	009518	100361		
009360	100252	009434	100307	009519	100362		
009365	100253	009435	100308	009521	100363		
009366	100254	009436	100309	009522	100364		
009368	100255	009437	100310	009523	100365		
009369	100256	009439	100311	009524	100366		
009370	100257	009440	100312	009525	100367		
009371	100258	009441	100313	009526	100368		
009372	100259	009442	100314	009527	100369		
009373	100260	009443	100315	009529	100370		
009374	100261	009444	100316	009530	100371		
009375	100262	009445	100317	009534	100372		
009377	100263	009447	100318	009535	100373		
009378	100264	009448	100319	009536	100374		
009379	100265	009449	100320	009537	100375		
009380	100266	009450	100321	009539	100376		
009381	100267	009451	100322	009540	100377		
009383	100268	009455	100323	009541	100378		
009385	100269	009456	100324	009542	100379		
009386	100270	009457	100325	009543	100380		
009387	100271	009458	100326	009544	100381		
009391	100272	009461	100327	009545	100382		

LEASE - Group No. 10

EXHIBIT "B"

Lease dated January 15, 1974, by and between United States Railway Equipment Co., ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY ("Lessee")

CERTIFICATE OF INSPECTION AND ACCEPTANCE

Chicago, Rock Island and
Pacific Railroad Company
139 West Van Buren Street
Chicago, Illinois 60605

_____, 19

and

United States Railway Equipment Co.
2200 East Devon Avenue
Des Plaines, Illinois 60018

Gentlemen:

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

all as provided in the Lease, and hereby accepts such Cars for United as being in condition for reconstruction work as provided in Paragraph 3(b) of the Lease.

Inspector

EXHIBIT "B-1"

Lease dated January 15, 1974, by and between United States Railway
Equipment Co., ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD
COMPANY ("Lessee")

CERTIFICATE OF INSPECTION AND ACCEPTANCE

Chicago, Rock Island and
Pacific Railroad Company
139 West Van Buren Street
Chicago, Illinois 60605

and

United States Railway Equipment Co.
2200 East Devon Avenue
Des Plaines, Illinois 60018

Gentlemen:

The undersigned, being duly authorized inspectors for
United and Lessee respectively, hereby certify that they
have each made an inspection of _____
() cars bearing numbers as follows:

all as provided in the Lease and they do each hereby accept
them as having all reconstruction work performed in compli-
ance with the Reconstruction Specifications attached to the
Lease and as otherwise being in compliance with all require-
ments of the Lease.

DATED: _____

Inspector for United

DATED: _____

Inspector for Lessee

R I D E R

RIDER No. 1 consisting of 4 pages attached to and made a part of Lease dated January 15, 1974, Group No. 10, by and between UNITED STATES RAILWAY EQUIPMENT CO. ("United") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY ("Lessee").

3. Reconstruction of Cars - Condition of Cars - Acceptance.

(a) United and Lessee agree that all Cars subject to this Lease are to be reconstructed at United's cost and expense in accordance with the specifications ("Specifications") attached hereto as Exhibit A-1. Reconstruction work shall be performed at (~~United's~~) (Lessee's)* facilities by (~~United~~) (Lessee)*. Cars shall be delivered to such facilities in accordance with a schedule, agreed upon by the parties, reasonably sufficient to allow the party performing the work to do so efficiently and economically; provided, however, that such delivery schedule shall provide for the delivery of all Cars by Lessee no later than three (3) years from the date hereof. United shall inspect ~~all~~ Cars prior to commencement of reconstruction work at any facility including Lessee's facility, and shall accept or reject Cars as to condition. All Cars delivered to a facility for reconstruction shall be in the condition required by Paragraph 10 hereof. United shall advise Lessee of the number and condition of any Car not in proper condition for reconstruction as required herein and Lessee shall itself correct any defects or substitute another Car in accordance with the provisions of that certain agreement between the parties dated January 15, 1974, pursuant to which United purchased the Cars. ("Sale Agreement")

(b) United shall issue a Certificate of Inspection and Acceptance in the form attached hereto as Exhibit B with respect to all Cars in condition satisfactory for reconstruction. Upon completion of reconstruction work United and Lessee shall promptly and jointly accept such work by executing a Certificate of Inspection and Acceptance for each Car in the form attached hereto as Exhibit B-1.

(c) Each party hereto shall have the right to have one or more representatives present from time to time during reconstruction work at the other party's facility. Such representative shall advise the parties in writing of any work performed or materials supplied which do not conform to the reconstruction specifications in order that the party responsible for performing the work can correct such deficiencies.

*Strike inapplicable material in Paragraph 3(a).

(d) United shall be liable for and shall pay the cost of performing the reconstruction work. If pursuant to subparagraph (a) above Lessee is required to perform such work at its facilities, United shall, within thirty (30) days after completion of the work and after receipt of invoice, pay to Lessee, the price for such work and material set forth in the Specifications notwithstanding Lessee's actual costs therefor.

(e) Rental payments on any Car placed by Lessee in a facility for reconstruction work to be performed by it shall abate from the date the Car is inspected and accepted at the facility until completion of the reconstruction work, but in no event for more than forty-five (45) days. Rental payments on any Car delivered to United's facility for reconstruction work to be performed by United shall abate from the date the Car is inspected and accepted at United's facility, until completion of the reconstruction work. Except to the extent and under the circumstances provided to the contrary in this Paragraph 3(e) with respect to the performance of the reconstruction work, rental payments on Cars covered by the Lease shall not abate for any reason whatsoever.

(f) United may perform reconstruction work required to be done by it at any one or more of the following of its facilities: Washington, Indiana, Atlanta, Georgia, and Lessee shall deliver Cars to such of the foregoing facilities as United may in its sole discretion direct, in accordance with the agreed upon delivery schedule. Upon completion of its reconstruction work United shall deliver the Car to Lessee f.o.t. at the facility at which the work was performed. United's obligation with respect to the completion of reconstruction work to be performed by it and delivery of the Cars to Lessee is made expressly subject to, and United shall not be responsible for, failure to complete or deliver, or delays due to labor difficulties, fire, delays and defaults of carriers and car and material suppliers, acts of God, governmental acts, regulations and restrictions, and any other causes, casualties or contingencies beyond United's control.

(g) United warrants that the work performed and material supplied by United in performing any reconstruction work to the Cars (except as to work or materials furnished, manufactured or supplied by Lessee or a party other than United, who is specified by Lessee) will be free from defects in material and workmanship under normal use and service. United's

sole obligation under this warranty shall be limited to repairing or replacing any part or parts of such work or material which shall, within one year after United shall have made delivery of such defective repairs or material, be returned to such place as United shall designate with transportation charges prepaid and which United's examination shall disclose to its reasonable satisfaction to have been defective in normal use and service. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE EXTENDING BEYOND THE DESCRIPTION IN THE SPECIFICATIONS FOR SUCH RECONSTRUCTION OR MATERIALS AND SHALL BE IN LIEU OF ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF UNITED; and United shall not be liable to Lessee for any indirect, special or consequential damages resulting from any defects in material or workmanship.

7. Rental. Lessee shall pay to United as rental for each car,

(a) From and including the date of this Lease until the date a Car is inspected and accepted for reconstruction work at a facility, the sum of \$1.35 per car per day; provided, however, that the rental shall be \$2.70 per car per day for any Car (i) not delivered by Lessee for reconstruction work in accordance with the schedule agreed upon by the parties as provided in Paragraph 3(a) hereof from the date such Car was to have been delivered until the date upon which the reconstructed Car is inspected and accepted or (ii) for which reconstruction work is not completed by Lessee within the time herein allotted therefor, whether or not the same was beyond Lessee's control, from the date such reconstruction work was to have been completed until the date upon which such reconstructed Car is inspected and accepted,

and

(b) From and including the date of acceptance of any reconstructed Car, as required in Paragraph 3(b) hereof, the sum of \$ 3.93 per car per day.

(c) If United shall notify Lessee that a change in labor costs or materials results in an increase or decrease in the actual average per car cost of reconstruction ("Actual Cost") from the estimated per car cost of reconstruction set forth in the Specifications, the rental per car set forth in Paragraph 7(b) hereof shall be increased or decreased, as the case may be, by the Monthly Rent Escalation Factor applicable to such Cars as provided in Schedule 1 of the Sale Agreement, for each dollar (to the nearest dollar) by which the Actual Cost shall have so been changed. Within fifteen (15) days after determination of the Actual Cost, but in no events more than three (3) months after all reconstruction work on the Cars is completed, adjusted total rental for the prior periods of the original lease term beginning after the acceptance of reconstruction work will be determined on the basis of a retroactive application to such periods, of the rental adjusted as herein provided. Any amount

by which the adjusted total rentals so determined for such prior periods shall be greater or lesser than the aggregate rental payments actually made by Lessee to United during such prior periods shall be paid if greater, or credited if lesser, with the next monthly rental payment during the lease term from Lessee to United. Commencing with the monthly rental payment for the lease term next due after notice given by United to Lessee of the Actual Cost, all monthly rentals for all reconstructed Cars for the balance of the lease term or any renewals thereof shall be paid at the adjusted rental herein provided. United's notice shall contain a statement certified by its chief financial officer of the Actual Cost. United shall permit Lessee to examine the records of United to verify the Actual Cost upon reasonable notice from Lessee.

Continued from end of Paragraph 17:

In the event any Car prior to reconstruction is lost or stolen or is destroyed or damaged beyond economic repair from any cause whatsoever, Lessee shall promptly inform United of such occurrence and may elect to either treat such car as though it were lost, stolen, destroyed or damaged beyond economic repair following reconstruction or as though United deemed the Car not in proper condition for reconstruction and substitute another car therefor all as provided in Paragraph 3(a) hereof.

U. S. RAILWAY MANUFACTURING COMPANY

MINIMUM REPAIR SPECIFICATION

50 TON 50'6" BOX CAR

ROCK ISLAND SERIES 64350 - 64499

7 YEAR LEASE

LEASE - GROUP NO. 10

EXHIBIT A-1

Lease dated January 15, 1974, by and between United States Railway Equipment Co. ("United") and Chicago, Rock Island and Pacific Railroad Company ("Lessee").

In accordance with Paragraph 3(f) of the Lease, United will pay Lessee the sum of \$2,397.00 per car upon completion of the reconstruction work provided for herein to each car.

I N D E X

1.00	GENERAL
2.00	BRAKES
3.00	CAR BODY
4.00	COUPLERS AND DRAFT GEARS
5.00	DOORS
6.00	INTERIOR
7.00	PAINT AND STENCILLING
8.00	ROOF
9.00	SAFETY APPLIANCES
10.00	TRUCKS
11.00	UNDERFRAME
12.00	MISCELLANEOUS

1.00 GENERAL

1.01 CONSTRUCTION

This Specification covers a repaired 50-Ton 50'6" box car with 15'0" sliding door and standard underframe. Subject car complies with AAR Interchange Rules, Department of Transportation (DOT) Safety Appliance Regulations, Railroad Freight Car Safety Standards, and meets Association of American Railroads (AAR) requirements applicable to repaired cars.

Car is within Plate "B" equipment diagram.

1.02 WORKMANSHIP

All parts required in this repair shall be fabricated, assembled, and finished in a thoroughly workmanlike manner. All steel parts shall be made to templates to assure interchangeability of parts and facilitate assembly:

Holes for rivets 3/8" diameter or less shall be finished 1/32" larger than the nominal rivet diameter. Holes for rivets larger than 3/8" shall be 1/16" larger than the nominal diameter. All parts shall be fit-up tightly before riveting and all rivets shall be driven tight and have full sized h Holes for two piece rivet type fasteners 1/2" diameter and larger shall be finished 1/16" larger than the nominal diameter.

Miscellaneous fasteners which are missing or have elongated holes, etc., are to be removed, reamed and replaced with one size larger fastener when using two piece rivet type fastener, i.e., originally 5/8" fastener will be replaced with 3/4", etc.

1.03 MATERIALS

All material used shall conform to AAR specifications.

All carbon steel plates, bars, shapes, sheets, and strips 1/4" thick or less shall be copper bearing, except rods.

Bolts and nuts shall be ASA hexagon having American Standard coarse thread (Class 2A external - 2B internal). Welding studs shall be flux filled and have American Standard coarse threads.

High strength bolts and nuts, where used, will be to ASTM Spec. A-325 or equivalent and torqued to requirements, if applicable.

Two-piece rivet type fasteners shall comply with AAR Manual, Page L-29, latest revision.

Lumber: Lumber shall conform to the latest revision of AAR Spec. M-907. Framing may be long and/or short leaf yellow pine; AAR group 7, Paragraph or better. All framing shall be kiln dried and moisture content to be 12 to 15%.

1.03 MATERIALS (con't)

Plywood: Plywood shall be Douglas Fir Exterior Grade B-C or better per Common Standard Specification PS-1-66, latest revision.

Decking: Decking to be treated yellow pine per AAR Spec. M-907, AAR group 4, paragraph 58 or better. Treated decking is to be kiln dried and moisture content to be 15% max.

1.04 FLOOR LOAD

2-3/4" decking and stringer combination as described within this Specification does not comply for minimum of a 25000# gross fork truck load but can be altered to accommodate this requirement.

1.05 MISCELLANEOUS

Car is to maintain its original Built Date.

All repairs are to be made in kind except for items covered in this specification.

All scrap steel and specialities are to remain the property of U. S. Railway Equipment Co.

2.00 BRAKES

2.01 BRAKE EQUIPMENT

Car is equipped with Standard AB-1012 freight car schedule which includes brake cylinder, A-B Valve, 1" combined dirt collector and cutout cock, branch pipe tee, combined auxillary and emergency reservoir, 1-1/4" angle cock, retaining valve, air brake hose with FP-5 coupling, 1-1/4" angle cock nipple.

2.02 A-B EQUIPMENT (COT&S)

Air brake equipment is to be cleaned, oiled, tested and stencilled (COT&S) as of date released from Plant. COT&S to be performed in accordance with Air Brake Co. Instruction Leaflet No. 2391, latest revision.

2.03 ANGLE COCK AND COMBINED DIRT COLLECTOR & CUT OUT COCK

Angle cock and/or combined dirt collector and cut out cock which are not operational are to be replaced with "O" ring seal key type cock.

2.04 HANDBRAKE

Handbrake is to be oiled and tested on the car. Handbrake is to remain in the high (original) position.

2.05 RETAINING VALVE

Retaining Valve is to be relocated to the underframe area adjacent to the A-B Valve in accordance with AAR Manual of Standards and Recommended Practices, page E-45, latest revision. Retaining valve type to be in accordance with Interchange Rule 4.

2.06 ANGLE COCK HOSE

Angle cock hose is to be replaced as required per AAR Interchange Rule #5-A (Cause for Renewal). Replacement to be with either new AAR approved or reconditioned angle cock hose.

2.07 ANGLE COCK LOCATION

Angle cock location is to be checked for compliance with AAR Interchange Rule #4-E-2 and relocated if required.

2.08 BRAKE CYLINDER RELEASE VALVE

Brake cylinder release valve is NOT to be applied.

2.09 AUTOMATIC SLACK ADJUSTER

Double Acting Automatic slack is to be applied.

2.10 BRAKE PIPES

Welded fittings will not be applied.

2.11 BRAKE PIPE CLAMPS

Welded type brake pipe clamps are to be applied as required. Pipe clamp spacing to be in accordance with Air Brake Specification 2518. "U" bolt clamps, when used, are to be in compliance with AAR Interchange Rule 4-E-9.

2.12 HIGH STRENGTH BOLTS

High Strength bolts are to be applied to the combined reservoir and "A-B" valve pipe bracket in accordance with AAR Interchange Rule #4-E-7, if car is not so equipped.

2.13 SELF-LOCKING NUTS

Self locking nuts are to be applied to air brake equipment per AAR Interchange Rule #4-E-3, if car is not so equipped.

2.14 BRAKE PINS

Brake pins are to be replaced as required when worn to limits specified in AAR Interchange Rule #9-A.

2.15 BRAKE LEVERS, GUIDES AND CONNECTION RODS

Brake levers, guides and connection rods are to be replaced or repaired as required per AAR Interchange Rule #11-D when worn to limits specified in AAR Interchange Rule, #11-A.

2.16 PISTON TRAVEL

Brake rigging is to be adjusted to obtain approximately 7" piston travel at 50 PSI cylinder pressure.

3.00 CAR BODY

3.01 SIDE SHEETS

Side sheets are to be patched as required. Standard size patches are to be maintained wherever possible. If side sheets are deteriorated at the side sill angle for any long length, a complete patch is to be applied from the door post gusset to the corrugated end flange at the end of the car.

Patches are to be of .10" thick material to ASTM Spec. A570 Grade "B".

Application to be by welding or mechanical fasteners as required.

3.02 SIDE SILL ANGLE

Side sills are to be repaired as required.

3.03 THRESHOLD PLATE

New threshold plates are to be applied, as required.

Threshold plate to be of 3/16" thick material per ASTM Spec. A 575 Grade 1020.

Application to be by #3 Plow Head bolts or alternate fasteners if necessary.

Threshold plate support angles are to be replaced as required.

Support angle size to be compatible with car construction and is to be of ASTM A 575 Grade 1020 material.

Application to be by welding.

3.04 SIDE AND CORNER POSTS

Corner post and side posts which have deteriorated beyond 50% of the original section at the bottom are to have a new 12" splice applied.

Application to be by welding and/or fasteners.

3.05 DOOR OPENING

Door opening is to remain at 15'0" wide.

3.06 END SILLS

End sills are to be replaced as required when broken and section of end sill is missing. Fractures at other areas are to be "V"ed out, welded, and interior fabricated angle applied by welding.

End sill size to be compatible with car construction and material Spec. ASTM A-36.

Application of new end sill to be by rivets or two-piece rivet type fasteners at option of U. S. Railway.

3.07 CORRUGATED END PATCH

A 3/16" thick x 25" long corrugated end patch is to be applied on end sheet as required, centered over center sill area and extending upward to center of lower outer corrugation. Fractures in corrugated end sheet are to be "V"ed out and welded prior to application of end patch.

Patch material to be per ASTM Spec. A570 Grade B.

Application to end sill to be by rivets or two-piece rivet type fasteners at option of U. S. Railway.

Application to end sheet to be by welding.

3.08 STRAIGHTENING

End and side sheets are to be straightened as required. Straightness of side posts to be within 3/8" of vertical, wherever possible.

Ends are to be straightened to be within 1/2" of vertical, wherever possible.

4.00 COUPLERS AND DRAFT GEARS

4.01 INSPECTION

All draft system components are to be removed and inspected as prescribed by RFCSS Section 215.153 and Sections 215.171 through 215.193, inclusive.

4.02 DRAFT GEARS

Draft gears are to be replaced with reconditioned gears.

4.03 COUPLER BODY AND OPERATING COMPONENTS

Couplers are to be inspected per AAR Interchange Rule #16 and if condemned are to be replaced with serviceable secondhand BE-60 type couplers which meet Rules #16.

4.04 YOKES

Coupler yokes are to be inspected per AAR Interchange Rule #19 and if condemned will be replaced with serviceable secondhand Y-40 type yokes which meet these rules.

4.05 FOLLOWER BLOCKS

Follower blocks are to be replaced as required when severely worn or bent.

4.06 DRAFT KEYS

Draft keys are to be inspected per AAR Interchange Rule 16-A and when worn at any point 5/16" or more, will be replaced with a serviceable secondhand draft key.

4.07 DRAFT KEY WASHER

1/2" thick draft key washer, per AAR Interchange Rule #16, will be applied to each key, except where keyslot reinforcement patches have been applied to center sill.

4.08 DRAFT KEY RETAINER

AAR Standard or Alternate Standard draft key retainers are to be applied.

4.09 COUPLER OPERATING ROD ADJUSTMENT

Coupler operating rods are to be adjusted within 1/4" to 1/2" clearance between operating rod eye and locklift lever per Interchange Rule 16-E-15. Operating rods are to be straightened as required.

4.10 COUPLER HEIGHT

Coupler height is to be adjusted to a minimum of 32-1/2" to a maximum of 34-1/2" on an empty car. Adjustment to be accomplished by shimming with C-1045 wear plates at coupler carrier. Application to be by welding. Wear plate design and application to be in accordance with AAR Interchange Rule 16-E-12, 13 & 14. If additional adjustment is required due to minimum coupler shank to striker clearance, shims will be added at the truck springs and/or bolster center plate area in accordance with Interchange Rule 16-E-13-a.

4.11 DRAFT GEAR POCKET

Draft gear pocket is to be inspected and brought within the range of 24-5/8" + 3/16". Draft lugs are to be built up by weld metal and surface
- 0"

ground smooth in areas where lugs have been worn. When pocket exceeds 24-13/16" the lugs are to be built up by weld metal and surface ground smooth in areas where lugs have been worn and have filler plates applied to the face of the back lugs by welding to bring pocket into dimension of 24-5/8" + 3/16".
- 0"

4.12 DRAFT KEY SLOTS

Key slots are to be built up by weld metal and/or plates as required.

4.13 DRAFT GEAR CARRIER

Draft gear carriers are to be straightened or replaced in kind as required. Carriers which are worn 3/16" or greater are to be replaced.

5.00 DOORS

5.01 DOOR OPENING

Door opening is to remain at 15'0" staggered off center line of car - series 6
Door opening is to remain at 12'0" staggered off center line of car - Series 64450 - 64

5.02 SAFETY HANGERS

Safety hangers are to be applied to doors which are now not so equipped. Design and application fo safety hanger is to be in compliance with AAR Manual, Page C-12A, latest revision.

5.03 DOOR CAR SIDE PARTS

Door car side parts and door track are to be replaced in kind as required. Design and attachment of car side parts are to be compatible with car construction.

5.04 INSPECTION

No direct light is to be seen when door is closed and inspected from inside of car. Reflective light is permissable.

5.05 DOORS

Doors are to be repaired as required in order to be operational. Repair is to consist of replacing parts in kind, welding fractures and applying patches as required. Any missing doors or doors damaged beyond repair are to be replaced with a serviceable door by the customer.

6.00 INTERIOR

6.01 DECK

Cars are presently equipped with 2-3/4" thick treated gum or 2-3/8" yellow pine. Decking boards are to be replaced as required using 2-3/4" or 2-3/8" treated yellow pine. Existing decking is to remain and is to be light sanded to eliminate surface roughness.

6.02 GRAIN STRIPS

Yellow pine grain strips are to be replaced as required between the side posts. Application to be by 8d gun type ring shank nails. Caulking is to be applied between the grain strips and the floor.

6.03 SIDE LINING

Side lining boards are to be replaced as required. 25/32" T&G yellow pine side lining is to be used. Application of side lining to be by 8d gun type ring shank nails using staggered nailing pattern. Nail heads are to be set below the surface of the lining. Plywood in accordance with part 1.00, Section 1.03, of the Specification can be used at the option of the customer.

6.04 END LINING

New end lining is to be applied. 25/32" T&G yellow pine lining is to be used. Application of end lining to be by 8d gun type ring shank nails using staggered nailing patterns. Nail heads are to be set below the surface of the lining. Plywood in accordance with part 1.00, Section 1.03, of the Specification can be used at the option of customer.

6.05 END NAILERS

End nailers are to be replaced as required when rotted or excessively split. End nailers when replaced are to be secured with (4) 1/2" dia. welded studs or carriage bolts per nailer. Remaining end nailer fasteners are to be checked and tightened as required.

6.06 SIDE LINING NAILERS

When side lining indicates loose side post nailers, side nailers are to be tightened as required.

6.07 MOVABLE DOOR POST

Auxillary sliding door movable wood door post are not to be replaced.

6.08 INTERIOR

Some cars have been in carbon black service and will remain in that service.

7.00 PAINT & STENCILLING

7.01 SANDBLASTING

Exterior of car is to be cleaned by sandblasting prior to painting. The following parts will be suitably protected from blast abrasives:

Air Brake Equipment
Hand Brake
Slack Adjuster
Couplers
Draft Gears
Coupler Yokes

7.02 PAINTING

Exterior of car is to receive one coat of primer and one coat of finish paint to a nominal 3 mils dry film thickness. Inside of sliding doors are also to be finish painted. Color to be specified by customer.

Underframe and trucks are to receive one coat of finish paint. Interior of roof is not to be primed or finish painted. Exterior of roof is to receive one coat of finish paint. The paint manufacturer's specification and recommendations consistent with U. S. Railway's plant shop practice will be considered to be the specification of U. S. Railway.

7.03 STENCILLING

Basic AAR stencilling will be applied in accordance with AAR Manual of Standards, page L37-39A.

U. S. Railway's standard ownership stencil is to be applied at the upper lefthand corner on each side of the car.

"Keep Off Roof, No Running Board" stencil is to be applied on the "BL" side sheet adjacent to side ladder in yellow and black in accordance with DOT requirements 231.27 (i), latest issue.

Cars are to be light weighed and stencilled in accordance with Interchange Rule 70.

Stencilling required by RFCSS section 215.211 to be applied.

7.04 ACI LABELS

ACI labels on metal plates are to be applied in location specified by AAR Manual of Standards & Recommended Practices, Section ACI. Attachment to be by 1/4" dia. welded studs and locknuts. Fasteners to be touched up with black paint after application of label.

7.05 MISCELLANEOUS

Angle cock hose, A-B valve vent protector, couplers, slack adjuster and wheels are to be suitably protected from paint.

8.00 ROOF

8.01 ROOF

Roofs are to be patched as required. .10" thick patches of standard size are to be applied by welding. Complete exterior of roof is to receive one coat of finish paint. No intermediate or end roof sheets are to be replaced.

Roof will not be sandblasted prior to paint application.

9.00 SAFETY APPLIANCES

9.01 HORIZONTAL END HANDHOLDS

3/4" dia. horizontal end handholds are to be applied at both ends of the car in accordance with DOT requirements 231.27 (i) for cars without roof hatches. The long horizontal handhold on the "A" end of the car is to have an intermediate support.

Handhold brackets are to be of ASTM A575 Grade 1020 material.

Application of handholds to be by 1/2" dia. rivets or two-piece rivet type fasteners at the option of U. S. Railway.

9.02 END & SIDE LADDERS

"A" end and side ladders are to be shortened to a four grab ladder in accordance with DOT requirements 231.37 (i).

"B" end and side ladders are to be maintained and straightened or repaired as required.

9.03 ROOF HANDHOLD

Existing roof handhold is to be reapplied at the "BL" corner only. Back up plates are to be applied on the underside of the roof sheet and are to be heavily caulked before application of handhold. Application of handhold is to be by 1/2" dia. rivets or two-piece rivet type fasteners at the option of U. S. Railway.

9.04 HANDBRAKE

Handbrake and step are to remain in the high position.

9.05 RUNNING BOARD

Running boards are to be removed by burning off running board attachment bolts. Saddles are to remain attached to roof seam caps.

9.06 SAFETY APPLIANCES

All ladders, grabs, steps, etc., are to be straightened or replaced as required.

10.00 TRUCKS

10.01 INSPECTION

Trucks are to be removed from car and dismantled for inspection. All trucks will be 50-Ton capacity with 5-1/2" x 10" journals.

10.02 TRUCK BOLSTERS

Truck bolsters are to be inspected in accordance with RFCSS Section 215. and repaired as required. Bolsters which are condemned are to be replaced with serviceable secondhand bolsters meeting Interchange Rule 47.

Worn gibs and wear plates are to be repaired and applied in accordance with Interchange Rule 47.

Stabilizing friction shoe pockets are to be repaired in accordance with vendor's repair specifications.

10.03 TRUCK SIDE FRAMES

Truck side frames are to be inspected in accordance with RFCSS Section 215.123 and repaired as required. Truck side frames which are condemned are to be replaced with serviceable secondhand truck side frames meeting Interchange Rule 48.

Side frame column wear plates are to be replaced as required. Wear plates to be C-1045 material. Application to be by welding.

10.04 JOURNAL STABILIZING

AAR approved type journal stops are to be applied. Insert type stop will be used per Interchange Rule 32.

10.05 JOURNAL BOX LID & SEALS

Journal box lids are to be replaced as required with a secondhand serviceable lid per Interchange Rule 33. Boxes will be in accordance with RFCSS section 215.83.

AAR approved journal box lid seals are to be applied.

10.06 JOURNAL BOX REAR SEALS

AAR approved journal box rear seals are to be applied per Interchange Rule 33.

Top of seal is to receive a coat of sealant except on rear seals which require a dust guard plug in accordance with Interchange Rule 33 (E).

10.07 JOURNAL LUBRICATORS

AAR approved lubricators are to be applied in accordance with Interchange Rule 24 and RFCSS section 215.85.

Lube dates, stencil, etc., is to be in accordance with Interchange Rule 25.

10.08 TRUCK STABILIZING FRICTION SHOES

Friction shoes are to be inspected per Interchange Rule 47 (A) and RFCSS section 215.123, and are to be replaced as required with new friction shoes which are standard to truck.

10.09 TRUCK SPRINGS

Truck springs are to be removed, inspected, gaged, and regrouped per Interchange Rule 50 (A) and RFCSS section 215.123. Springs condemned by this rule are to be replaced with secondhand serviceable springs complying with Rule 50.

Truck spring group is to be for gross rail load of 177,000#.

10.10 BRAKE BEAMS

Trucks are to be equipped with a minimum of #18 serviceable brake beams. Brake beams are to be replaced as required when condemned per Interchange Rule 6 and RFCSS section 215.123. Beams to be replaced with type standard to truck.

10.11 BRAKE SHOES

All brake shoes are to be AAR-1-B, high phosphorous cast iron meeting the requirements of Interchange Rule 12 and RFCSS section 215.123.

10.12 JOURNAL BEARINGS

Journal bearings are to be inspected and replaced in accordance with RFCSS 215.89 and Interchange Rule 30, with new or relined 5-1/2" x 10" steple back bearings, as required when bearing is condemned by Interchange Rule 30. New bearing size is to be determined by gaging journal size as outlined in Rule 30.

10.13 JOURNAL BEARING WEDGE

Journal bearing wedges are to be inspected and replaced in accordance with RFCSS 215.91 and Interchange Rule 31. Replacement wedge to be new or secondhand servicable meeting Rule 31 requirements.

10.14 WHEEL SETS

All wheel sets used on cars will be in accordance with RFCSS 215.43, 215.45, and 215.53, and Interchange Rules 41 and 42.

10.15 BOLSTER CENTER PLATE LUBE

Bolster center plates are to be lubricated in accordance with Interchange Rule 47-E.

11.00 UNDERFRAME

11.01 BODY BOLSTERS

Body bolsters are to be inspected in accordance with RFCSS 215.153 and repaired as required.

11.02 CROSSBEARERS & CROSSTIES

Crossbearers & crossties are to be inspected in accordance with RFCSS 215.153 and repaired as required.

11.03 BODY CENTER PLATES

Body center plates are to be inspected in accordance with RFCSS 215.153 and repaired or replaced as required. When new center plates is required or existing fasteners are loose, (4) 7/8" dia. two-piece rivet type fasteners are to be applied, one at each corner and a 3/8" fillet weld completely around the base, stopping short of the radius at each corner, attaching center plate to bolster sole plate.

11.04 SPARK SHIELDS

#14 gage galvanized spark shields are to be applied. Shields to cover exposed floor between side sill and center sill and applied in accordance with FRA Emergency Order No. 3.

Material to be galvanized sheet to ASTM Spec. A446, Grade "A".

Application to underframe to be by welding.

11.05 SIDE BEARING CLEARANCE

Body side bearing clearance is to be adjusted to be within 1/4" to 3/8" clearance per Interchange Rule 47-E-2. Clearances to be obtained by shimming body side bearings or truck center plates, if required, per Interchange Rule 47-E-3. Side bearing shims are to be of such a design that they will not fall out of place if fasteners become loose.

11.06 CENTER SILL

Center sills are to be inspected in accordance with RFCSS 215.153 and if fractured are to be repaired in accordance with Interchange Rule 57.

11.07 STRIKER & CENTER FILLER CASTINGS

Striker and center filler castings are to be inspected and repaired as required. Repair to consist of "V"ing out cracks, welding and local stress relieving of castings by heating to a red heat and air cooling in accordance with Interchange Rule 82.

11.08 SIDE SILL REINFORCEMENT

Existing side sill reinforcements have broken at each door post. Fractures are to be "V"eed out, welded and ground smooth. A 3/8" thick AAR type splice is to be applied to the vertical web of the reinforcement. A 3/8" X 5" bar is to be applied to the bottom flange of the reinforcement.

12.00 MISCELLANEOUS

12.01 ROUTING AND PLACARD BOARDS

New routing and placard boards are to be applied. Location of boards to be in accordance with AAR Manual, Page C-18, latest revision.

Routing and placard boards are to be 25/32" yellow pine.

Attachment of brackets to car body to be by welding.

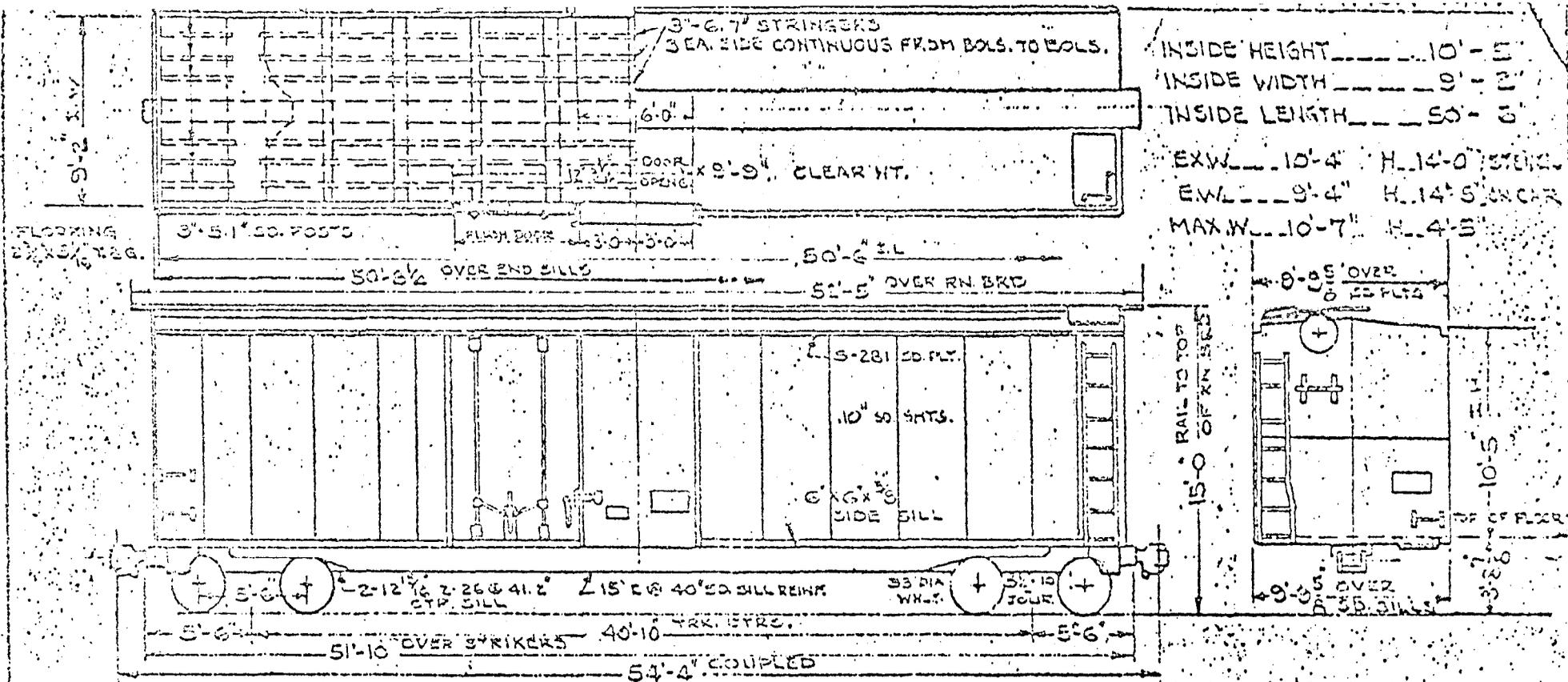
Brackets are to be replaced as required.

12.02 SHIPPING CONDITION

The interior of each car is to be cleaned and in suitable condition acceptable for loading when released.

12.03 DEFECT CARD HOLDER

Defect card holder is to be applied in accordance with AAR standard practice.



BUILT	PULL-STD. CAR MFG CO.	8385-A	1958
WEIGHT	57800 LBS		
CUBIC CAPACITY	4825 CU FT.		
UNDERFRAME	WELDED 2-12 1/8 Z-26 @ 41.2"	CTR. SILL	
ROOF	*14 GA. PALMAN RIVETED DESIGN	PULL-STD.	
END	Q.H.S. CORR. PALMAN DESIGN	PULL-STD.	
DOOR	FLUSH TYPE W/ X-ROLLER LIFT MAND	CAMEL	
RN. BOARD	METAL "TRI-LOK" TYPE A-1	APIEX	
BRK. SHY	METAL "TRI-LOK" TYPE A	APIEX	
HAND SHY	AAR. CERT. VERT. WH.	MINER	
BODY PLY	AR 10-12	WIRE	
DRIFT GEAR	AAR. CERT.	24% POCKET	
COUPLER	6 1/2" x 8" SHANK TYPE E	ROYALTY	
COUPLER YOKE	AAR. C.S. VERT.	KEY-CONNECTED	

TRUCK	1-1 RIDE CONTROL A-3
JOURNALS	5 1/2" x 10"
SIDE FRAME	CAST STEEL INTEGRAL BOX
FOLSTER	CAST STEEL
BRK. BEAM	AAR. V18 UNIT
SIDE BEARING	ROLLER
SPRINGS	AAR. 2 1/2 TRAVEL
WHEELS	33" DIA. 1-W WROST STEEL
BODY WEIGHT	43520 LBS
TRUCK WEIGHT	14280 LBS