Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521
Telephone 312 920-4600

4-361A091

PORTEC

14514
RECORDATION NO. ..... Filed 1125

DEC 26 1984 2 30 PM

INTERSTATE COMMERCE COMMISSION

December 21, 1984

DEC 26 1984
20.00

14514
RECORDATION NO. ..... Filed 1125

DEC 26 1984 2 30 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Room 2303
12th and Constitution Ave., N.W.
Washington, DC 20423

Attn: Mildred Lee

Pursuant to the regulations of the Interstate Commerce Commission, I hereby request that you record the following Lease and Amendment No. 1 between Portec Lease Corp. and Grand Trunk Western Railroad Company. Besides the originals, we have enclosed notarized true photocopies of the originals.

Lessee
Grand Trunk Western Railroad Co.
131 West Lafayette Blvd.
Detroit, MI 48226

Lessor
Portec Lease Corp.
300 Windsor Drive
Oak Brook, IL 60521

The equipment covered by the aforesaid Lease is fifty (50) used 100-ton Gondola Cars with Car Numbers 147800 to 147849 (both inclusive).

The documents should be returned to R. J. Loeger, Portec Lease Corp., 300 Windsor Drive, Oak Brook, IL 60521.

A $20.00 check, payable to the Interstate Commerce Commission, also is enclosed to cover toe required recordation fee.

I am the Controller of Portec Lease Corp. and have knowledge of the matters set forth herein.

Sincerely,

PORTEC LEASE CORP.

By Richard J. Loeger

12/26/84

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

R.J. Loeger
Portec Lease Corp.
300 Windsor Drive
Oak Brook, Ill. 60521

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/26/84 at 2:30pm and assigned re-recordation number(s). 14514, 14514-A

Sincerely yours,

James H. Bayne

Secretary

Enclosure(s)

SE-30
(7/79)

14514

DEC 23 1981 2 30 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

BETWEEN

PORTEC LEASE CORP.

LESSOR

and

GRAND TRUNK WESTERN RAILROAD COMPANY

LESSEE

Fifty used 100-Ton Gondola Cars

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), made as of this 1st day of December, 19 81, between PORTEC LEASE CORP., a Delaware corporation, 300 Windsor Drive, Oak Brook, Illinois 60521, ("Lessor"), as Lessor, and GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan corporation, Grand Trunk Building, 131 West Lafayette Boulevard, Detroit, Michigan 48226, ("Lessee"), as Lessee.

1. Scope of Agreement

A. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, all railroad rolling stock and other property (collectively the "Cars" and individually a "Car") described in each and every schedule now and hereafter executed by the parties hereto and made a part of this Lease (collectively the "Schedules" and individually a "Schedule").

B. It is the intent of the parties hereto that, as between Lessor and Lessee, Lessor or its assignee shall at all times be and remain the lessor of all Cars. Lessee agrees that it will at no time take any action or file any document which is inconsistent with this intent and that it will take such action and execute such documents as may be necessary to evidence this intent.

2. Term

This Lease shall remain in full force and effect until it has been terminated, as provided herein as to all of the Cars. The term of this Lease with respect to each Car described on any Schedule shall be three (3) years commencing upon the earlier of the thirtieth (30th) day after Lessee receives written notice from Lessor of such commencement or the date on which all Cars on such Schedule have been delivered as set forth in Section 3 hereof.

3. Supply Provisions

Lessor will inspect and deliver to Lessee at the place of delivery specified in Schedule A hereto each of the units of railroad rolling stock intended by the parties hereto to be a Car hereunder. The Cars shall be moved to Lessee's railroad line (the phrase "Lessee's railroad line" or similar phrases when used herein shall be deemed to include property

owned by Lessee or with respect to which Lessee has a right of use or possession) at no cost to Lessee as soon after the date of this agreement as is consistent with mutual convenience and economy of Lessor and Lessee. After delivery Lessee shall inspect each car at the first available point and if it is acceptable, shall deliver to Lessor a Certificate of Acceptance the form attached hereto as Exhibit I. Due to the nature of railroad operations in the United States, Lessor can neither control nor determine when the Cars leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of the Cars leased hereunder, Lessee agrees to pay to Lessor the rent set forth in this Lease.

4. Railroad Markings and Record Keeping

A. On or before delivery to Lessee of any units or railroad rolling stock or other property and their identification as Cars hereunder, said units will be lettered with the railroad markings of Lessee and may also be marked with such other markings as may be required by Lessor or Lessor's financing sources. Such name and/or insignia and other markings shall comply with all applicable regulations.

B. Lessee shall during the term of this Lease prepare and file all required documents relating to the registration, maintenance and recordkeeping functions involving the Cars. Such documents shall include, but not be limited to, the following: (i) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register; and (ii) such reports as may be required from time to time by the ICC and/or other regulatory agencies.

C. Lessee shall, during the Lease, perform all recordkeeping functions related to the use of the Cars by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules, such as car hire reconciliation. Correspondence from railroads using such Cars shall be addressed to Lessee.

D. All record-keeping performed by Lessee hereunder and all record of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Lessor from time to time upon reasonable advance notice during Lessee's regular business hours. Lessee shall supply Lessor with such reports and records, including but not limited to, reports and records regarding the use of the Cars by Lessee on its railroad line and other reports and records related to the Cars, such as those related to maintenance or repair or those prepared by or for any relevant regulatory agency, as Lessor may reasonably request and in such form as Lessor shall reasonably request.

5. Maintenance, Taxes and Insurance

A. Except as otherwise provided herein, Lessor shall be responsible for all costs, expenses, fees and charges incurred by Lessor or Lessee in connection with the use and operation of the Cars during the Lease, including, but not limited to, maintenance and servicing, unless the same was occasioned by the fault of Lessee. Lessee shall be responsible for correcting "Handling Carrier Defects" as defined in the AAR interchange rules. Lessor shall make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition as specified in the AAR interchange rules throughout the Lease. Lessee shall inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and in conformance with AAR interchange rules and shall be liable to Lessor for any required repairs attributable to damage not noted at the time of interchange inspection.

B. Upon request of Lessor, and at the expense of Lessor, except as provided herein, Lessee shall perform or cause to be performed any necessary maintenance and repairs to Cars on Lessee's railroad tracks. Lessee shall at its sole expense perform or have performed all Running Repairs ("Running Repairs") as defined in Exhibit II attached hereto, subsequent to the delivery date of the Cars during the term of the Lease. To facilitate continued immediate use of a Car, Lessee may make any other repairs, alterations, improvements or additions to the Cars up to $300.00 without Lessor's prior written consent. If Lessee makes an alteration, improvement or addition to any Car without Lessor's prior written consent, Lessee shall be liable to Lessor for any revenues lost due to such alteration and, at the option of Lessor, for the cost to return such Car to conformance with its original specifications. Title to any such alteration, improvement or addition shall be and remain Lessor's.

C. Lessee represents it participates in the Canadian National Railway Company self-insurance fund (the "Pool"). Lessee shall provide to Lessor evidence that the Cars are covered under the Pool and, to the extent possible, that Lessor is named as insured with respect to the Cars. The Lessee represents and warrants that, as of the date of execution of this Lease, it is covered by the <u>excess</u> public liability insurance maintained by Canadian National Railway Company with respect to its operations (including the Cars) against damages because of bodily injury, including death, or damage to the property of others. Lessee shall give at least 30 days' prior written notice to the Lessor of the cancellation or a material change in said insurance.

D. (i) Lessor agrees to reimburse Lessee, within 30 days from date Lessor is notified by Lessee of tax due, for all taxes paid by Lessee resulting from ad valorem tax assessments on the Cars as referenced in Schedule(s); or for any assessment, levy or impost paid by the Lessee relating to any Car and on the lease or delivery thereof which remains unpaid as of the date of delivery of such Cars to Lessee or which may be accrued, levied, imposed or assessed during the terms of this Lease, except taxes on income imposed on Lessee, gross receipts or sales and use tax imposed on the mileage charges and/or car hire revenue or sale or lease of the Cars. Lessor and Lessee will comply with all state and local laws requiring filing of ad valorem tax returns associated with the Cars. Notwithstanding any portion of this Section, Lessor shall not be responsible for penalty or interest assessments resulting from Lessee's failure to comply with any regulation or statute of any city, county, state or other taxing or assessing authority.

(ii) At the time Lessee files its annual report with Lessor, it shall also provide Lessor with an officer's certificate stating that Lessee is in compliance with the terms of this Lease, including the filing of all necessary tax returns and the payment of all requisite taxes.

6. Lease Rental, Reports and Casualty

A. Lessee agrees to cause to be paid or promptly pay to Lessor as rent the following amount:

(i) Within fifteen (15) days after the end of each calendar month during the term hereof, Lessee shall remit to Lessor (1) the amount of the Gross Revenues received attributable to the Cars less (2) the sum of (a) the amount of Operating Expenses paid attributable to the Cars, (b) any storage and transportation cost payable by Lessor and (c) such other costs, expenses and reserves which are deemed for Lessor's account pursuant to this Lease. As used in this Lease, the term "Gross Revenues" shall mean all income (unreduced by any expenses) derived from the ownership, use and/or operation of the Cars including, but not limited to straight car hire, incentive car hire and mileage charges due under any lease and mileage allowances. "Operating Expenses" shall mean the actual costs and expenses incurred in connection with the ownership, management, use and/or operation of the Cars, including but not limited to, maintenance or repairs, except to the extent that the cost of such repairs is the

responsibility of Lessee pursuant to Section 5; painting costs of alterations, modifications, improvements or additions, charges, assessments, or levies imposed upon or against Cars of whatever kind or nature. Rent shall not include freight charges, demurrage, or any amounts earned while a Car is on the lines of the Lessee, DT&I or DTSL.

B. (i) Lessee shall, within sixty (60) days following the last day of each month during the term of this Lease, submit to the Lessor a written report of activities of the Cars. This report will summarize for the Cars for such month (1) estimated Gross Revenues earned and the nature of those amounts, whether per diem, incentive per diem or a mileage charge (2) Gross Revenues received during the calendar month (3) Operating Expenses paid and (4) amounts remitted to Lessor during that calendar month.

(ii) Within ninty (90) days after the end of each calendar quarter during the term of this Lease, Lessee will provide a reconcilliation which will summarize (1) the actual Gross Revenues earned for the quarter and the nature of those amounts as to whether car hire incentive car hire or mileage charges (2) Gross Revenues received during the calendar quarter (3) Operating Expenses paid for the calendar quarter (4) amounts remitted to Lessor during the calendar quarter.

C. When damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freight, and the depreciated value due as a result thereof are received by Lessor, said damaged or destroyed Car will be removed from the coverage of this Lease as of the date that destruction occurred.

7. Possession and Use

A. So long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession, use and enjoyment of the Cars in accordance with the terms of this Lease and in the manner and to the extent Cars are customarily used in the railroad freight business, provided that Lessee retain on its railroad tracks no more Cars than are necessary to fulfill its immediate requirements to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Lessor in connection with the Cars, i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred

and is continuing under such financing agreement, such party may require that all amounts due Lessor hereunder shall be paid directly to such party and/or that the Cars be returned to such party and Lessee agrees to so pay all such amounts and to so return the Cars at Lessor expense. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not permit the loading of any corrosive substance in the Car(s) and will be responsible for any such damage resulting from such loading.

C. Lessee will not directly or indirectly create, incur, assume, or suffer to exist, if arising thru Lessee, any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Lease or any Exhibit. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest, or claim if the same shall arise at any time through Lessee.

8. Default

A. The occurrence of any of the following events shall be an event of default hereunder:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant, or condition of this Agreement, which is not cured within thirty (30) days after notice to Lessee of such breach.

(iii) A petition for reorganization under Title 11 of the United States Code, as now constituted or as may hereafter be amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee, under this Lease, shall not have been and

shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to a ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed or proceedings commenced; or

(iv) Any other proceedings shall be commenced by or against the Lessee, for any relief which includes, or might result in, any modification of the obligations of the Lessee, hereunder, under any bankruptcy, or insolvency laws or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee, hereunder), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue). All the obligations of the Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee, or for the property of the Lessee, in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trust or trustees or receivers or receiver, within 60 days after such proceedings shall have been commenced; or

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which might have a material adverse effect on the Cars.

(vi) Any action by Lessee to discontinue rail service on all or a substantial portion of its track or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state, if such action would substantially decrease the off line utilization rate of the Cars.

B. Upon the occurrence of any event of default hereunder, without limiting Lessor's rights and remedies otherwise provided by law, which shall be available to Lessor in addition to the following rights and remedies, no right or remedy of Lessor being exclusive but all such rights and remedies being available at all times to Lessor and Lessor

in any case being entitled to recover all costs, expenses and attorneys' fees incurred by Lessor in enforcing its rights and remedies hereunder, Lessor may, at its option, terminate this Lease, and may

(i) Proceed by any lawful means to enforce performance by Lessee of such obligations or to recover damages for a breach thereof (and Lessee agrees to bear Lessor's costs and expenses, including reasonable attorney's fees, in securing such enforcement), and/or

(ii) By notice in writing to Lessee, terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate; and thereupon Lessor may enter upon any premises where the Cars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee. Lessor shall in addition have the right to recover from Lessee any and all amounts which under the terms of this Lease may then be due or which may have accrued to that date, together with Lessor's costs and expenses, including reasonable attorneys' fees incurred in securing such enforcement hereof.

9. Expiration or Termination

Either Lessor or Lessee, upon not less than sixty (60) days prior written notice may terminate this Lease as to the Cars. At the expiration or termination of this Lease as to any Car, Lessee will surrender possession of such Car to Lessor by delivering the same as hereinafter provided. A Car shall be no longer subject to this Lease upon the removal of Lessee's railroad markings from such Car and the placing thereon of such markings as may be designated by Lessor, either, at the option of Lessor, (1) by Lessee upon return of such Car to Lessee's railroad line or (2) by another railroad line which has physical possession of the Car at the time of or subsequent to termination of the lease term as to such Car. If such Car is not on the railroad line of Lessee upon termination or expiration, any cost of assembling, delivering, sorting, and transporting such Car to Lessee's railroad line or the railroad line of a subsequent lessee shall be borne by Lessor except where such termination is the result of Lessee's default in which case, all such costs shall be born by Lessee. If such Car is on the railroad line of Lessee upon such expiration or termination or is subsequently returned to Lessee's railroad line, Lessee shall at Lessor's own expense, as promptly as practicable remove Lessee's railroad markings (Note: only railroad initials and number)

from such Car (only those Cars on Lessee's tracks) and place thereon such markings as may be designated by Lessor. After the removal and replacement of markings, Lessee shall use its best efforts to load such Car with freight and deliver it to a connecting carrier for shipment. Lessee shall provide up to thirty (30) days' free storage on its railroad tracks to the extent track is available. At the end of said 30 day storage period Lessee shall deliver any Cars not yet loaded out to Lessor at such point on Lessee's lines as Lessor shall designate. If any Car is terminated pursuant to Section 8 hereof prior to the end of its lease term, Lessee shall be liable to Lessor for all costs and expenses incurred by Lessor to repaint such Car and place thereon the markings and name or other insignia of Lessor's subsequent lessee.

10. Indemnities

Lessee will defend, indemnify and hold Lessor harmless from and against (1) any and all loss or damage of or to the Cars, usual wear and tear excepted, unless such loss or damage results from the negligence of Lessor, and (2) any claim, cause of action, damage, liability, cost or expense which may be asserted against Lessor with respect to the Cars unless occurring through the fault of Lessor.

11. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Lease.

(ii) The entering into and performance of this Lease will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(iv) There is no material fact which Lessee has not disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Lease.

12. Inspection

Lessor shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall also notify Lessor in writing as promptly as practicable and in no event later than five (5) days after receiving notice of any attachment, tax lien or other judicial process attaching to any Car. Lessee shall furnish to Lessor promptly upon its becoming available a copy of its annual report.

13. Miscellaneous

A. This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. LESSOR SHALL HAVE THE RIGHT TO ASSIGN ALL OR ANY OF ITS RIGHTS, REMEDIES OR INTEREST HEREIN WITHOUT THE CONSENT OF LESSEE, provided however, Lessee shall have no obligation to any such assignee until it shall have received written notice of the assignment and the rights, remedies and interests assigned. Lessee may not without the prior written consent of Lessor assign this Lease or any of its rights hereunder or sublease the Cars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of this Lease and in furtherance of any financing agreement entered into by Lessor in connection with the Cars in order to confirm any financing party's interest in and to the Cars and this Lease and to confirm the subordination provisions contained in Section 7.

C. It is expressly understood and agreed by the parties hereto that this Lease constitutes a true lease of the Cars only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee only.

D. No failure or delay by Lessor shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Lessor nor shall any waiver or indulgence by Lessor or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

E. This lease shall be governed by and construed according to the laws of the State of Illinois.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth above.

G. If any legal action or other proceeding is brought for the enforcement of this Lease, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Lease, the successful or prevailing party shall be entitled to recover reasonable attorney's fees and any costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

PORTEC LEASE CORP.	GRAND TRUNK WESTERN RAILROAD COMPANY
BY:	BY:
TITLE: Senior Vice President-Finance	TITLE: Vice President - Administration
DATE: November 13, 1981	DATE: Nov. 19, 1981
	APPROVED AS TO FORM DATE: 11-18-81
ATTEST:	ATTEST:
Vice President & Secretary	Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF DU PAGE)

On this 13th day of November, 1981, before me personally appeared T. J. Vesp, to me personally known, who being by me duly sworn, says that he is a Senior Vice President-Finance of PORTEC LEASE CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Hammey Higgins
Notary Public
My Commission expires
Sept. 19, 1984

(SEAL)

My commission expires:

STATE OF MICHIGAN)
) SS
COUNTY OF WAYNE)

On this 19th day of November, 1981, before me personally appeared W. Glavin, to me personally known, who being by me duly sworn, says that he is a Vice President of GRAND TRUNK WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J. Isabelle Matusko
Notary Public
J. ISABELLE MATUSKO
Notary Public, Oakland County, Michigan
Acting in Wayne County, Michigan
My Commission Expires March 14, 1983

(SEAL)

My commission expires:

SCHEDULE A

to

Lease of Railroad Equipment
Between Portec Lease Corp.
as Lessor and
Grand Trunk Western Railroad Company
as Lessee

Information as to Cars

Builder:	PORTEC, Inc.
Description of Equipment:	100 ton, general purpose gondola cars
Quantity:	50
Specifications:	Per specification No. G-100-780508
Car Numbers	147800 to 147849 both inclusive
Delivery Point:	50 cars at Cincinnati, Ohio

PORTEC LEASE CORP.	GRAND TRUNK WESTERN RAILROAD COMPANY
By:	By:
Title:	Title: V.P. President - Administration
Date:	Date: Nov. 19, 1981
Attest:	Attest:
Secretary	Secretary

EXHIBIT I

to

Lease of Railroad Equipment
between Portec Lease Corp.
as Lessor and
Grand Trunk Western Railroad Company
as Lessee

CERTIFICATE OF ACCEPTANCE

To: Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

I, a duly appointed inspector and authorized representative of Grand Trunk Western Railroad Company (Lessee") under the Lease of Railroad Equipment, dated as of _____, 1981, do hereby certify that I inspected and accepted delivery thereunder on behalf of Lessee of the following Units of Equipment:

TYPE OF EQUIPMENT:
BUILDER: PORTEC, INC.
DATE ACCEPTED:
PLACE ACCEPTED:
NUMBER OF UNITS:
NUMBERED:

I do further certify that the foregoing Units are in good order and condition, and conform to the Specifications applicable thereto as provided in Schedule A to said Lease.

I do further certify that each of the foregoing Units has been marked by means of a stencil printed in contrasting colors upon each side of each such Unit in letters not less than one inch in height as follows:

"Subject to an ownership interest and for a security interest pursuant to documents filed under the Interstate Commerce Act."

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

_____
Inspector and Authorized Representative of Lessee

EXHIBIT II

to

Lease of Railroad Equipment
between Portec Lease Corp.
as Lessor and
Grand Trunk Western Railroad Company
as Lessee

Running Repairs

Each of the following named "items" is, individually, to be repaired or maintained at the sole expense of the Lessee in each of the Cars:

Angle Cocks
Air Hose
Train Line
Operating Levers in Brackets
Sill Steps
Grab Irons
Brake Shoes
Brake Shoe Keys
Brake Connecting Pin
Break Head Wear Plates
In-Date-Test
Air Brakes
Hand Brakes
Truck Brakes
Truck Springs
Cotter Keys
Roller Bearing Adapters
Air Hose Supports

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INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 1 TO LEASE AGREEMENT

This is Amendment No. 1 dated as of October 18, 1984 to a Lease Agreement (the "Lease") made as of the 1st day of December, 1981, between Portec Lease Corp., a Delaware corporation, 300 Windsor Drive, Oak Brook, Illinois 60521, ("Lessor"), as Lessor, and Grand Trunk Western Railroad Company, a Michigan corporation, Grand Trunk Building, 131 West Lafayette Boulevard, Detroit, Michigan 48226, ("Lessee"), as Lessee.

Lessor and Lessee for and in consideration of the mutual covenants and conditions herein contained and each intending to be bound hereby agree as follows:

1. Effective October 18, 1984, Section 2 of the Lease is amended and restated to read as follows:

" 2. Term

This Lease shall remain in full force and effect until it has been terminated, as provided herein as to all of the Cars. The term of this Lease with respect to each Car described on any Schedule shall commence upon the earlier of the thirtieth (30th) day after Lessee receives written notice from Lessor of such commencement or the date on which all Cars on such Schedule have been delivered as set forth in Section 3 hereof and continue until December 31, 1989."

2. Effective January 1, 1985, for the term of this Lease commencing after December 31, 1984, Section 6 of the Lease is amended and restated to read as follows:

" 6. Lease Rental, Reports and Casualty

A. Lessee agrees to cause to be paid or promptly pay to Lessor as rent the following amount:

(i) Within fifteen (15) days after the end of each calendar month during the term hereof commencing after December 1984, Lessee shall remit to Lessor as rent the amount of (1) the Gross Revenues received attributable to the Cars less (2) the sum of: (a) the amount of Operating Expenses paid attributable to the Cars, (b) any storage and transportation cost payable by Lessor and (c) such other costs, expenses and reserves which are deemed for Lessor's account pursuant to this Lease. When the amounts to be remitted to Lessor under the immediately preceding sentence for each Car equal a Utilization Rate of 55

percent for a calendar month during the term hereof no further payments shall be due Lessor from Lessee under said preceding sentence for such Car for such calendar month. As used in this Lease, the term "Gross Revenues" shall mean all income (unreduced by any expenses) derived from the ownership, use and/or operation of the Cars including, but not limited to straight car hire, incentive car hire and mileage charges due under any lease incentive car hire and mileage charges due under any lease and mileage allowances. "Operating Expenses" shall mean the actual costs and expenses incurred in connection with the ownership, management, use and/or operation of the Cars, including but not limited to, maintenance or repairs, except to the extent that the cost of such repairs is the responsibility of Lessee pursuant to Section 5; painting,costs of alterations, modifications, improvements or additions, charges, assessments, or levies imposed upon or against Cars of whatever kind or nature. Utilization Rate shall mean the quotient reached by dividing (X) the aggregate number of hours in the applicable calendar month, or applicable portion thereof, that Gross Revenues were received attributable to each Car by (Y) the aggregate number of hours in such calendar month, or applicable portion thereof, that each of the Cars was leased to Lessee hereunder. Rent shall not include freight charges, demurrage, or any amounts earned while a Car is on the lines of the Lessee. ~~DT&I or DTSL.~~

B. (i) Lessee shall, within sixty (60) days following the last day of each month during the term of this Lease, submit to Lessor a written report of activities of the Cars. This report will summarize for the Cars for such month (1) estimated Gross Revenues earned and the nature of those amounts, whether per diem, incentive per diem or a mileage charge, (2) Gross Revenues received during the calendar month, (3) Operating Expenses paid, (4) figures necessary for the determination of the Utilization Rate, and (5) amounts remitted to Lessor during that calendar month.

(ii) Within ninety (90) days after the end of each calendar quarter during the term of this Lease, Lessee will provide a reconciliation which will summarize (1) the actual Gross Revenues earned for the quarter and the nature of those amounts as to whether car hire, incentive car hire or mileage charges, (2) Gross Revenues received during the calendar quarter, (3) Operating Expenses paid for the calendar quarter, (4) figures necessary for the determination of the Utilization Rate for each of the

months in the calendar quarter, and (5) amounts remitted to Lessor during the calendar quarter.

C. When damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freight, and the depreciated value due as a result thereof are received by Lessor, said damaged or destroyed Car will be removed from the coverage of this Lease as of the date that destruction occurred."

3* Except as hereby amended, all of the terms and conditions contained in the Lease continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

PORTEC LEASE CORP.	GRAND TRUNK WESTERN RAILROAD COMPANY
By: W. W. Farsworth	By: P. E. Intro
Title: Vice President	Title: Senior Vice President-Finance
Date: October 18, 1984	Date: November 7, 1984
ATTEST: J. [illegible]	ATTEST: E. S. Fontaine
Vice President and Secretary	Corporate Secretary & Executive Asst.

PET * If this Lease is in effect at December 31, 1989, and the Lessee is not then in default hereunder, Lessee may extend the term of this Lease on the terms herein contained for five (5) years until December 31, 1994, by giving Lessor notice of this election prior to September 30, 1989. WWF

[illegible] 11-6-84

December 21, 1984

The attached photocopy of Amendment No. 1 dated October 18, 1984, to our original lease between Portec Lease Corp. and Grand Trunk Western Railroad Company is a true copy of Amendment No. 1.

PORTEC LEASE CORP.

By: R. J. Loeger
R. J. Loeger
Controller

State of Illinois)
)§
County of DuPage)

NOTARY PUBLIC
My commission expires September 19, 1988

December 21, 1984

The attached photocopy of lease dated December 1, 1981, between Portec Lease Corp. and Grand Trunk Western Railroad Company is a true copy of the original lease.

PORTEC LEASE CORP.

By: R. J. Loeger
Controller

State of Illinois)
)§
County of DuPage)

NOTARY PUBLIC
My commission expires September 19, 1988