

INDIANA HARBOR BELT RAILROAD COMPANY

175 West Jackson Boulevard, Suite 1460
Chicago, Illinois 60604

ANNA M. KELLY
GENERAL COUNSEL

TELEPHONE (312) 454-3868

January 12, 1988
File: 11.6312

REGISTRATION NO. *8202-E* 8-014A031
FEB 1925

Ms. Noretta R. McGee, Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, DC 20423

JAN 14 1988 - 10 10 AM
INTERSTATE COMMERCE COMMISSION
JAN 14 1988
10:00
ICC Washington, D. C.

Dear Secretary McGee:

I enclose herewith original and three counterparts of the document described below, to be recorded pursuant to §11303 of Title 49 of the U. S. Code.

This document is a sub-lease covering fourteen coil gondola cars and is a secondary document to lease dated January 1, 1976 previously recorded by the Interstate Commerce Commission on February 2, 1976 as document 8202-A. Copy of the master lease, previously recorded, is attached to the sub-lease.

The names and addresses of the parties to the sub-lease are as follows:

Lessor: Soo Line Railroad Company
P. O. Box 530
Minneapolis, MN 55440
Attn: Treasurer

Lessee: Indiana Harbor Belt Railroad Company
c/o General Manager
P. O. Box 389
Hammond, IN 46325

TOP OFFICE OF THE SECRETARY
JAN 14 10 46 AM '88
NOTICE OF RECORDING

The equipment sub-leased to Indiana Harbor Belt Railroad Company are fourteen coil gondola cars bearing the following identifying marks:

MILW	92207	92209
	92216	92217
	92226	92231
	92239	92240
	92244	92257
	92262	92263
	92264	92267

The numbers will remain the same but MILW designation will be substituted by IHB initials as provided in Rider No. 1 to sub-lease being recorded.

The summary of the document as it should appear in the index is:

January 12, 1988

Interstate Commerce Commission
Page No. 2

Sub-lease of fourteen coil gondola cars by Soo Line Railroad, successor in interest to the Chicago, Milwaukee, St. Paul & Pacific Railroad Company, to the Indiana Harbor Belt Railroad Company, said sub-lease being executed pursuant to master lease between Chicago, Milwaukee, St. Paul & Pacific Railroad Company and U. S. Railway Leasing Company previously recorded by the Interstate Commerce Commission on February 2, 1976 as Document No. 8202-A.

Consent of Evans Transportation Company to said sub-lease is attached to the master lease.

A fee of \$10. is enclosed. Please return the original and all copies not needed by the Commission for recordation to the undersigned.

Very truly yours,



ANNA M. KELLY
General Counsel

AMK/mt
Enc.

cc: C. H. Allen
R. A. Hobbs
J. A. Byrnes

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Anna M. Kelly
175 West Jackson Blvd.
Suite 1460
Chicago, IL 60604

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/14/88 at 10:50AM, and assigned recordation number(s). 8202-E

Sincerely yours,

Narita R. McGee
Secretary

Enclosure(s)

SUBLEASE

REGISTRATION NO. 8207-E
FEB 1988

JAN 14 1988 - 10 10 AM

INTERSTATE COMMERCE COMMISSION

This Sublease is made and entered into this 6th day of November, 1987, by and between Soo Line Railroad Company, a Minnesota corporation (hereinafter "Soo"), and Indiana Harbor Belt Railroad Company, an Indiana corporation (hereinafter "IHB").

Whereas, Soo is the lessee of certain railroad equipment (hereinafter "Cars") under a lease with United States Railway Leasing Company (hereinafter "Lessor") dated January 1, 1976 (hereinafter "Master Lease");

Whereas, IHB wishes to sublease certain of the Cars covered by the Master Lease as identified in Exhibit A hereto; and

Whereas, Soo has obtained the approval or consent, if required, of the Lessor under the Master Lease;

Now Therefore, in consideration of the premises and of the rentals and other considerations and covenants herein, Soo hereby subleases the Cars identified in Exhibit A hereto to IHB upon the following terms and conditions:

1. IHB agrees to assume all of the obligations and responsibilities of Lessee under the Master Lease as amended from time to time relating to the Cars listed in Rider No. 1.
2. Unless notified otherwise in writing by Soo, IHB shall pay all rentals covered under Rider No. 1, attached hereto, to Soo at the following address on the second day before the rentals are due under the Master Lease:

Soo Line Railroad Company
P. O. Box 530
Minneapolis, Minnesota 55440
Attention: Treasurer

3. Soo and IHB agree that if the Master Lease contains any options to renew or options to purchase which must be exercised as to all and not less than all of the Cars under the Master Lease, IHB will not have any rights under those options.

- 4. Upon Soo's request, IHB will promptly cause this Sublease to be duly filed, registered or recorded in conformity with Section 11303 of the Interstate Commerce Act and will furnish Soo proof thereof. Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments reasonably requested by Soo for the purpose of protecting Soo's interests or for the purpose of carrying out the intention of this Sublease, and in connection with any such action will deliver to Soo proof of its compliance with this section.
- 5. If IHB defaults under this Sublease or the Master Lease, Soo will have against IHB all the rights of the Lessor against the Lessee under the Master Lease.
- 6. Soo and IHB agree that upon expiration of the term of the lease, IHB will return the cars to Soo at the closest IHB/Soo junction.
- 7. This Sublease, set forth the entire agreement and understanding of the parties, and supersedes all other written and oral agreements with respect to the subject matter of this Sublease. This Sublease may be amended, modified, or terminated only by a written instrument signed by the parties to this Sublease.

SOO LINE RAILROAD COMPANY

INDIANA HARBOR BELT RAILROAD COMPANY

By *Carl J. Lemmi*
 Its Executive Vice President Operations

By *C. Hall*
 Its GENERAL MANAGER

Date December 9, 1987

Date DEC 11 1987

Attest:

WITNESS

By *Daniel S. [Signature]*

By *H. E. [Signature]*

RIDER NO. 1

This Rider No. 1 is made and entered into this 6th day of November, 1987, by and between the Soo Line Railroad Company (hereinafter "Soo") and Indiana Harbor Belt Railroad Company (hereinafter "IHB"), and hereby is attached to and made part of Sublease dated November 6, 1987, between Soo and IHB.

Cars 14 Coil Gondolas

MILW 92207 92209 92216 92217 92226 92231 92239 92240 92244
92257 92262 92263 92264 92267

Rental Charges One thousand twenty dollars (\$1,020.00) per car per quarter or, if rentals are adjusted under the Master Lease, such adjusted rental, including all of Lessee's obligations under the Master Lease relating to these Cars such as taxes.

Soo and IHB agree that some of the cars to be leased by IHB are in need of repair before they can be entered into service. Therefore, Soo and IHB agree that IHB will make necessary repairs upon delivery of the cars, at no expense to Soo. However, IHB will not be obligated to pay rent on those cars repaired by IHB until each car is entered into service by the IHB or, if earlier, 90 days after receipt of the cars.

Repairs IHB will maintain the Cars in good order, condition and repair at all times and will not in any way alter the physical structure of the Cars. IHB will, at its sole cost and expense, maintain, repair and make modifications to the Cars to be in compliance with all requirements of the Association of American Railroads rules for interchange. If IHB determines that the cost of such modifications to any Car is unreasonable, IHB shall have the right to return such car to Soo.

Initial IHB will cause each Soo initial to be changed to read IHB at IHB's sole cost. IHB will not change the Cars number.

Expiration This Rider No. 1 will terminate on January 1, 1991, or unless earlier terminated in accordance with the provisions in the Master Lease.

SOO LINE RAILROAD COMPANY

INDIANA HARBOR BELT RAILROAD COMPANY

By Earl J. [Signature]

By [Signature]

Its Executive Vice President Operations
Date December 9, 1987

Its GENERAL MANAGER
Date DEC 11 1987

Attest:

WITNESS

By [Signature]

By [Signature]

INDIANA HARBOR BELT RAILROAD COMPANY

STATE OF INDIANA)
) ss.
COUNTY OF)

On this 11th day of December, 1987, before me personally appeared Charles H. Allen, to me personally known, who being by me duly sworn, says that he is the GENERAL MANAGER of Indiana Harbor Belt Railroad Company, ("IHB"), that said instrument was signed on behalf of IHB by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of IHB.

Deane R. Bender
Notary Public
My Commission Expires 9/19/90

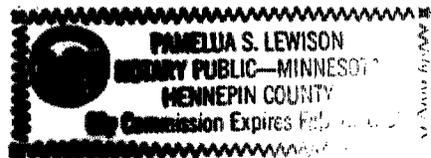
[Notary Seal]

SOO LINE RAILROAD COMPANY

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this 10 day of Dec, 1987, before me personally appeared Earl J. Currie, to me personally known, who being by me duly sworn, says that he is the Executive Vice President Operations of Soo Line Railroad Company ("Soo"), that said instrument was signed on behalf of Soo by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of Soo.

Pamela S. Lewison
Notary Public
My Commission Expires 2/8/93



[Notary Seal]

- A

SUBLEASE

AGREEMENT made and entered into this first day of January, 1976,
between

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

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC

RAILROAD COMPANY
(hereinafter called "Lessee")

8202
RECORDATION NO. Filed & Recorded

FEB 2 1976 - 11 50 AM

RECITALS

INTERSTATE COMMERCE COMMISSION

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

AGREEMENT

It is Agreed:

1. *Lease of Cars.* United agrees to lease to Lessee and Lessee agrees to and does hereby lease from United the Cars (the term "Cars" and other terms used herein are defined in Paragraph 28 hereof). The Cars covered by this Lease are those which shall be delivered to and accepted by Lessee pursuant to Paragraphs 2 and 3 hereof. The lease shall become effective as to any Car immediately upon its acceptance pursuant to Paragraph 3.

2. *Delivery of Cars.* United shall deliver the Cars as promptly as is reasonably possible. United's obligations with respect to delivery of all or any of the Cars are hereby made expressly subject to, and United shall not be responsible for, failure to deliver or delays in delivering Cars due to labor difficulties, fire, delays and defaults of carriers and material suppliers or Car manufacturers, acts of God, governmental acts, regulations and restrictions or any other causes, casualties or contingencies beyond United's control; provided, however, that in no event shall Lessee be obligated to accept delivery of Cars after February 27, 1976.
Initial delivery shall be f.o.t. Bensenville, Illinois

From and after acceptance of a Car, Lessee shall be liable for, and shall pay or reimburse United for the payment of, all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of a Car, including specifically, but not exclusively, freight and switching charges for movement at any time and from time to time to, and from any repair shops, storage or terminal facilities.

3. *Condition of Cars - Acceptance.* All Cars delivered hereunder shall be in satisfactory condition for movement in the normal interchange of rail traffic and shall otherwise comply with the description and/or specifications contained in Exhibit A; but Lessee shall be solely responsible for determining that Cars are in proper condition for loading and shipment. Within five (5) days after United shall give Lessee notice that some or all Cars are ready for initial delivery, Lessee may have its authorized representative inspect such Cars at (the point of delivery) ~~(the manufacturer's plant)~~ and accept or reject them as to condition. Cars so inspected and accepted and any Cars which Lessee does not elect to inspect shall upon delivery thereof to Lessee as above provided be conclusively deemed to be accepted and subject to this Lease and to meet all requirements of this Lease. Lessee shall issue and deliver to United with respect to all Cars accepted, a Certificate of Inspection and Acceptance in the form of Exhibit B.

*Strike inapplicable material in Paragraph 3.

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

13. *Liens.* Lessee shall keep the Cars free from any and all encumbrances or liens in favor of anyone claiming by, through or under Lessee which may be a cloud upon or otherwise affect United's title, including but not limited to liens or encumbrances which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease, and Lessee shall promptly discharge any such lien, encumbrance or legal process.

interest of
Owner's

14. *Indemnities - Patent Covenants.* Lessee agrees to indemnify United and hold it harmless from any loss, expense or liability which United may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession or operation of a Car while subject to this Lease, and without regard as to how such charge, claim, proceeding suit or other event arose, including without limiting the generality of the foregoing, whether it arises from latent or other defects which may or may not have been discoverable by United. United agrees to indemnify Lessee and save it harmless against any charge, loss, claim, suit, expense or liability arising out of or on account of the use or incorporation by United upon delivery of a Car or upon the making of repairs thereto by United, of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of Lessee's specifications. The term "United" shall mean and include any subsidiary, parent or affiliated corporation for all purposes of this Paragraph 14. Lessee's indemnity shall not eliminate any rights which Lessee may have under any manufacturer's warranty assigned to it pursuant to Paragraph 22. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

15. *Lettering - Inventory.* At United's election all cars may be marked with United's/name designating it as owner or Lessor and may bear the following inscription: "Title to this car subject to documents recorded under Section 20c of Interstate Commerce Act". Except for renewal and maintenance of the aforesaid lettering or lettering showing the interest of the Lessee, no lettering or marking shall be placed upon any of the Cars by Lessee except upon the written direction or consent of United. United may at its own cost and expense inspect the Cars from time to time wherever they may be, and Lessee shall, upon request of United, but no more than once every year, furnish to United its certified inventory of all Cars then covered by this Lease.

or Owner's

16. *Loss, Theft or Destruction of Cars.* In the event any Car is lost, stolen, destroyed or damaged beyond economic repair, Lessee shall, by notice, promptly and fully advise United of such occurrence. Except where United shall have received payment for such Casualty Car from a handling railroad or other party under and pursuant to Interchange Rules, Lessee shall, within 45 days after demand by United, promptly make payment to United in the same amount as is prescribed in the Interchange Rules for the loss of such Car. This Lease shall continue in full force and effect with respect to any Casualty Car irrespective of the cause, place or extent of any casualty occurrence, the risk of which shall be borne by Lessee; provided, however, that this Lease shall terminate with respect to a Casualty Car on the date United shall receive all amounts and things granted it on account of such Car under this Paragraph 16 and Lessee shall have no further liability to United hereunder except for accrued rent and as such arises or exists under Paragraphs 12, 13 and 14 hereof.

17. *Return of Cars.* Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 16 hereof), Lessee shall at its sole cost and expense forthwith surrender possession of such Car to United by delivering same to United as such car shop, storage or terminal facility as it may designate by notice to Lessee. Each Car so surrendered shall be in the same or as good condition, working order and repair as when delivered to Lessee, wear and tear from ordinary use and the passage of time excepted, and shall be in need of no Repair Work. Until the delivery of possession to United pursuant to this Paragraph 17, Lessee shall continue to be liable for and shall pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall in addition make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred. If United shall so request by notice delivered prior to surrender of possession of such Car as above provided, Lessee shall provide suitable storage for such Car for a period of ninety (90) days from the date of expiration or termination and inform United of the place of storage and the reporting number of the Car there stored. Delivery in storage shall constitute delivery of possession for the purpose of this Paragraph 17 and such storage shall be at the risk of United. Upon termination of the storage period or upon request of United prior thereto, Lessee shall cause the Car to be transported to United as above provided.

on the lines of
the Lessee

18. *Default.* If Lessee shall fail to make any payment required hereunder within 20 days after same shall have become due or shall default or fail for a period of 20 days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or if a proceeding shall have been commenced by ~~or against~~ Lessee under any bankruptcy laws, Federal or State, or for the appointment of a receiver, assignee or trustee of Lessee or its property, or if Lessee shall make a general assignment for the benefit of creditors, then and in any of said events United may:

after notice
from United

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

(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 such places as it may designate, or to take possession itself, of any or all of the Cars wherever same may be found. United may, but need not, require delivery of the Cars to it or repossess the Cars, but in the event the Cars are delivered to United or are repossessed, United shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorney's fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. United shall not be required to accept or receive any lessee offered by Lessee, or do any act whatsoever or exercise any diligence whatsoever in or about the procuring of another lessee to mitigate the damages of the Lessee or otherwise. The election by United to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained;

on the lines
of the Lessee

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

or if a proceeding shall have been commenced against Lessee under any bankruptcy laws, Federal or State, or for the appointment of a receiver, assignee or Trustee of Lessee or its property and the continuance of any such proceeding or any order or decree continuing same shall be unstayed and in effect for at least thirty (30)

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

19. *Sublease and Assignment.* The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

(a) Lessee shall have no right to assign or sublease or loan any of the Cars without the prior written consent of United; provided, however, that Lessee shall have the right to assign all of its rights under this Lease to another railroad corporation which succeeds to all or substantially all of the business of Lessee, provided such successor shall expressly assume all of the obligations and liabilities of Lessee hereunder;

(b) all rights of United hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part without notice to Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust or other security instrument covering the Cars heretofore or hereafter created by United. If United shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee.

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

20. *Opinion of Counsel.* Upon the request of United or its assignee at any time or times, Lessee will deliver to United a favorable 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 and has taken all corporate action necessary validly to enter into this Lease and carry out its obligations hereunder;

(b) this Lease has been duly executed on behalf of Lessee and 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) neither Lessee nor its counsel know of any requirement for recording, filing or depositing of this Lease, other than with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, which is necessary to preserve or protect the title of Owner or its assignee in the United States of America; and

invalid or

the Owner or

interest of
United and
the

(e) no governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part of Lessee in connection with this Lease or any action contemplated on its part hereunder.

21. *Notice.* Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

United at: 2200 East Devon Avenue
Des Plaines, Illinois 60018
Union Station
Lessee at: 516 West Jackson Blvd.

Chicago, Ill. 60606

Attn: Vice President - Finance and Accounting
or at such other address as either party may from time to time designate by such notice in writing to the other.

22. *Warranty - Representations.* United makes no warranty or representation of any kind, either express or implied, as to any matter whatsoever, including specifically but not exclusively, merchantability, fitness for a particular purpose extending beyond the description in Exhibit A, or the design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder; and United shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential damages on account of any matter which might otherwise constitute a breach of warranty or representation. United agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any Cars or parts therefor and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights. Lessee represents that all of the matters set forth in Paragraph 20(a) through and including (e) shall be and are true and correct at all times that any Car is subject to this Lease, \

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

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

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

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

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

provided, that if any matter set forth in subsections (d) or (e) of Paragraph 20 shall prove, at any time, to be untrue or incorrect by reason of any change in law, Lessee shall have thirty (30) days from the date such matter became untrue or incorrect within which to comply with such new law in order to make the substance of such representation and warranty true and correct.

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

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

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

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

(c) "Average Date of Delivery" — that date which is determined by (i) multiplying the number of Cars delivered by United on each day by the number of days elapsed between such day and the date of delivery of the first Car hereunder, and (ii) adding all of the products so obtained and dividing that sum by the total number of Cars delivered and (iii) adding such quotient rounded out to the nearest whole number to the date of delivery of the first Car. The date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the Lessee, as specified in Paragraph 2. A Car shall be conclusively deemed delivered to the Lessee on the earliest date shown on any of the following: (i) Certificate of Inspection and Acceptance or other writing accepting a Car signed by the Lessee; or (ii) a bill of lading showing delivery to Lessee or to a railroad for the account of Lessee.

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

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

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

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

(h) "Owner" — shall mean United's lessor or such other party as shall, from time to time, have title to the Cars.

29. *Benefit.* Except as otherwise provided herein the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties and (to the extent permitted in Paragraph 19 hereof) their successors and assigns. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 14 hereof shall apply to and inure to the benefit of any assignee of United, and if such assignee is a trustee or secured party under an indenture under which evidence of indebtedness has been issued in connection with the financing of the Cars, then also to the benefit of any holder of such evidence of indebtedness.

30. *Recording.* Upon request by United, Lessee shall join in the execution of a memorandum or short form of this Lease for use in recordation under Section 20c of the Interstate Commerce Act or such other recordation as United deems appropriate. Said memorandum or short form of lease shall describe the parties, the Cars being leased and the term of this Lease including any options to extend and shall incorporate the Lease by reference.

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

UNITED STATES RAILWAY LEASING COMPANY
an Illinois corporation

By *C. Richard Dancy*
Vice President

[SEAL]

ATTEST:

[Signature]
Secretary

CHICAGO, MILWAUKEE, ST. PAUL AND
PACIFIC RAILROAD COMPANY

a(n) Wisconsin corporation

By *[Signature]*
Vice President

[SEAL]

ATTEST:

J. J. [Signature]
Secretary

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 23rd day of January, 1976, before me personally appeared C. Richard W. Barney to me personally known, who being by me duly sworn, says that he is Pres. President of the United States Railway Leasing Company, and Paul K. Leach, to me personally known to be the Asst. Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elfred M. Keger
Notary Public
My Commission Expires June 28, 1978

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 21st day of JANUARY, 1976, before me personally appeared R. F. KRATOCHWILL to me personally known, who being by me duly sworn, says that he is VIC President of CHICAGO, MILWAUKEE, ST. PAUL AND PORTLAND and J. T. TAUSSIG 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.

Jane E. Kot
Notary Public

EXHIBIT A

Lease dated January 1, 1976, by and between United States Railway Leasing Company, ("United") and Chicago, Milwaukee, St. Paul & Pacific Railroad Company, ("Lessee")

TYPE AND DESCRIPTION OF CAR: New 100 ton 48'0" trough lift-off cover coil cars

NUMBER OF CARS: Seventy Five (75)

INTERIOR EQUIPMENT: None

SPECIAL LININGS: None

PERMITTED LADING USE: Coil Steel

REPORTING NUMBERS AND MARKS: Milw 92200 - Milw 92274

SPECIFICATIONS DESIGNATED BY LESSEE: Cars painted per Lessee's specifications.

EXHIBIT B

Lease dated January 1, 1976, by and between United States Railway Leasing Company ("United") and Chicago, Milwaukee, St. Paul and Pacific Railroad Company ("Lessee")

CERTIFICATE OF INSPECTION AND ACCEPTANCE

_____, 19____

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

Gentlemen:

The undersigned, being a duly authorized inspector for Lessee, hereby certifies that he has made an inspection of Seventy Five (75) Cars bearing numbers as follows:

Milw 92200 to 92274

or has, on behalf of Lessee, elected to forego such inspection all as provided in the Lease, and hereby accepts such Cars for the Lessee pursuant to the Lease; that each of said Cars is plainly marked in stencil on both sides of each Car with the words

Owned and Leased by
Borg-Warner Leasing
Division of B-W Credit Corp.
Chicago, Illinois
Title to this Car subject to documents recorded
under Section 20c of Interstate Commerce Act

in readily visible letters not less than one inch (1") in height; and that each of said Cars conforms to, and fully complies with the terms of said Lease and is in condition satisfactory to the Lessee.

Lessee

RIDER consisting of one (1) page attached to and made a part of Sublease dated January 1, 1976, by and between UNITED STATES RAILWAY LEASING COMPANY ("United") and CHICAGO, MILWAUKEE, ST. PAUL, AND PACIFIC RAILROAD COMPANY ("Lessee").

R-1. Rentals. During the term of this Lease, Lessee shall pay to United for each car the following rentals per car per month for the following periods:

	<u>\$</u>
From the date of delivery thereof to the fifth anniversary of the Average Date of Delivery	<u>\$ 440.40</u>
From the fifth anniversary of the Average Date of Delivery to the tenth anniversary of the Average Date of Delivery	<u>\$ 400.10</u>
From the tenth anniversary of the Average Date of Delivery until the Date of Termination	<u>\$ 340.60</u>

R-2. Sublease. Lessee acknowledges that United's right, title and interest in the Cars shall be either that of the owner of the Cars or may be that of a lessee under and pursuant to that certain Lease by and between United as lessee and B-W Credit Corporation as Lessor dated as of January 1, 1976. ~~Lessee further acknowledges that a copy of said Lease has been exhibited to it and that it is familiar with the terms thereof.~~ United intends to assign this Sublease to B-W Credit Corporation under the Lease between said parties. United, Lessee and B-W Credit Corporation have, pursuant to and as a part of said Assignment, acknowledged that the rights of Lessee hereunder are subject and subordinate to the rights of B-W Credit Corporation as Lessor under the Lease; provided, however, that so long as Lessee shall not be in default under any of the terms and conditions of this Sublease, it shall be entitled to quiet possession of the Cars and all other rights afforded Lessee hereunder, all as is more particularly set forth in said Assignment.

R-3. Lessor Representation. Lessor represents that:

(a) Lessor 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 and has taken all corporate action necessary validly to enter into this Lease and carry out its obligations hereunder.

(b) this Lease has been duly executed on behalf of Lessor and constitutes the legal, valid and binding obligation of Lessor, enforceable in accordance with its terms, subject as to enforceability to all applicable bankruptcy, moratorium, reorganization and other laws affecting the rights of creditors generally from time to time in effect.

FEB 2 1976 - 11 12 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF SUBLEASE AND AGREEMENT

THIS ASSIGNMENT OF SUBLEASE AND AGREEMENT made as of this first day of January, 1976, by UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation having its principal office in Chicago, Illinois (hereinafter called "Assignor") to B-W CREDIT CORPORATION, a Delaware corporation having its principal offices in Chicago, Illinois (hereinafter called "Assignee").

W I T N E S S E T H:

WHEREAS, Assignor does desire that Assignee purchase a total of seventy-five (75) new coil steel railroad cars with lift-off cover costing a total of approximately Two Million Five Hundred Thousand Seven Hundred Forty Nine Dollars (\$2,500,749) (hereinafter called the "Cars"), from U. S. Railway Mfg. Co. for purposes of leasing such Cars to Assignor;

WHEREAS, if Assignee is willing to purchase such Cars, and lease the same unto Assignor over a Fifteen (15) year term. Assignor does further desire to sublease such Cars to Chicago, Milwaukee, St. Paul and Pacific Railroad Company (hereinafter called the "Sublessee"), pursuant to a Sublease Agreement (hereinafter called the "Sublease") to be entered into between Assignor, as sublessor, and Sublessee;

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

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

1. As security for the full, faithful and timely payment of all rent and other amounts due under the Lease, Assignor hereby irrevocably assigns, transfers, and sets over unto Assignee all of Assignor's right, title and interest in, and to, the

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

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

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

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

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

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

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

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

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

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

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

11. Assignor shall cause copies of all notices received in connection with the Sublease to be promptly delivered to Assignee at One IBM Plaza, Chicago, Illinois 60611, or at such other address as the Assignee shall designate.

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

B-W CREDIT CORPORATION

By: *[Signature]*
Vice President

ATTEST:

[Signature]
Assistant Secretary

UNITED STATES RAILWAY LEASING COMPANY

By: *[Signature]*
Vice President

ATTEST:

[Signature]
Assistant Secretary

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

On this 30th day of January, 1976, before me personally appeared R. J. Salamone, to me personally known, who being by my duly sworn says that he is Vice President of B-W Credit Corporation and E. H. Lord, to me personally known to be the Assistant Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Stanley R. Schwartz
Notary Public

My Commission Expires:

May 1, 1976

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

On this 23rd day of January, 1976, before me personally appeared Richard Barbone to me personally known, who being by me duly sworn says that he is Vice President of United States Railway Leasing Company, and Paul A. Leak to me personally known to be the Assistant Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ernest M. Reiger
Notary Public

My Commission Expires:

My Commission Expires June 28, 1978

The undersigned, being the parties described in the foregoing Assignment as the Assignor, Assignee and Sublessee, hereby acknowledge that the Sublease referred to in the Assignment shall be and is at all times subordinate to that certain Lease between B-W Credit Corporation as Lessor and United as Lessee dated as of January 1, 1976, and covering all of the cars which are the subject matter of the Sublease; provided, however, that Assignee agrees that the Sublessee's right to possession of the Equipment will not be disturbed provided Sublessee shall not be in default in any of the terms and provisions of the Sublease and Assignee shall look solely to the Assignor as Lessee under the Lease for payment or performance of any other sums called for by the Lease or for the performance of any other matters required by the Lease. Sublessee agrees that upon receipt of written notice from the Assignee that an event of default has occurred under the Lease together with a request that all payments due under the Sublease be thereafter made to the Assignee, Sublessee shall make payments accordingly and shall not thereby be deemed in default of any of its undertakings to the Assignor under the Sublease.

UNITED STATES RAILWAY LEASING COMPANY

By: C. Richard Bacon
Vice President

ATTEST:

[Signature]
Assistant Secretary

B-W CREDIT CORPORATION

By: [Signature]
Vice President

ATTEST:

[Signature]
Assistant Secretary

CHICAGO, MILWAUKEE, ST. PAUL AND
PACIFIC RAILROAD COMPANY

By: [Signature]
Vice President

ATTEST:

[Signature]
Assistant Secretary

STATE OF Illinois)
COUNTY OF Cook) SS

On this 21 day of JANUARY, 1976, before me personally appeared R. F. KRATOCHWILL, to be personally known, who being by me duly sworn says that he is Vice President of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, and V. T. TAUSCIE, to me personally known to be the Assistant Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jane E. Kot
Notary Public

My Commission Expires:
July 17, 1979



William M. Sheehan
Vice President - Marketing

EVANS TRANSPORTATION COMPANY

Railcar Division

450 East Devon, Suite 300 • Itasca, IL 60143-1263 • 312/250-8100

October 23, 1987

Mr. Joseph A. Byrnes
Manager, Lease Contracts Administration
Soo Line Railroad
Soo Line Building
Box 530
Minneapolis, Minnesota 55440

Re: LOT 1355

Dear Mr. Byrnes:

This is in reference to your letter of October 15, addressed to our Bill Cunningham, requesting permission to sublease certain railcars to the Indiana Harbor Belt.

Please accept this letter as authorization under paragraph 19A to sublease the cars in question to the Indiana Harbor Belt with the understanding that we are not waiving any rights to our lease with the Soo Line, and further, that Evans will continue to bill the Soo Line for all 75 cars in the subject Lot.

When the car numbers have been changed to IHB marks, please notify us so that we may make the necessary changes to our files.

Very truly yours,

A handwritten signature in cursive script that reads 'W Sheehan'.

William M. Sheehan
Vice President-Marketing

jb

cc: W. Cunningham