

MERCHANTS INVESTMENT CO.

244 EAST WEST COURT  
SUITE 320  
PALATINE, IL 60067  
(312) 991-8840

1 5465  
RECORDATION NO. 5465

APR 14 1988 - 10 45 PM

INTERSTATE COMMERCE COMMISSION

Secretary  
Interstate Commerce Commission  
Washington, DC 20423

1 5465  
RECORDATION NO. 5465  
APR 14 1988 - 10 45 AM  
INTERSTATE COMMERCE COMMISSION

4/14/88  
\$26.00  
1/3  
ICC Washington, D.C.

Dear Secretary:

I have enclosed an original and one copy of the documents described below, to be recorded pursuant to Sec. 11303 of Title 49 of the U.S. Code.

*New No.*

The documents are a "Car Leasing Agreement" with "Rider, a ~~primary~~ document. The primary document to which this is connected is ~~recorded in the name of Merchants Investment Co., Palatine, Illinois, 60067.~~  
The names and addresses of the parties to the document are as follows:

LESSOR: Merchants Investment Co.  
LESSEE : Reynolds Metals Co.  
1ST Ave. and 47th  
McCook, IL 60525-3294

Equipment Re

EQUIPMENT DESCRIPTION:

AAR DESTINATION LF  
IDENTIFYING MARKS CREX 350 thru 352 (3 cars)  
LOAD CAPACITY 70 ton  
LENGTH 89'

*See do co for units covered ?*

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Suburban National Bank of Palatine; 600 E. Northwest Hwy.; Palatine, IL 60067. ATTN: Mr. Mike Bauer. The phone # for Mr. Bauer is (312) 359-9449.

A short summary of the document to appear in the index follows: Rider to Reynolds Metals Co. with lease Merchants Investment Co. providing for leasing of railroad equipment described therein.

MERCHANTS INVESTMENT CO.

By Donald T. Hicks  
Donald T. Hicks, VP

**Interstate Commerce Commission**  
Washington, D.C. 20423

4/22/88

OFFICE OF THE SECRETARY

Donald T. Hicks, VP  
Merchants Investment Company  
244 East Court Suite 320  
Palatine Illinois 60067

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 4/14 88 at 10:45am, and assigned recordation number(s). 15465 & 15465-A

Sincerely yours,

*Narta R. McLee*  
Secretary

Enclosure(s)

*Original in Vault*

APR 11 1988 - 10 45 PM

INTERSTATE COMMERCE COMMISSION

MERCHANTS INVESTMENT CO.

105261

RAILROAD EQUIPMENT LEASE

THIS AGREEMENT, made and entered into this 1st day of June, 1979, by and between MERCHANTS INVESTMENT CO., or its nominee, an Illinois corporation, hereinafter called "Merchants", First Party, and REYNOLDS METALS COMPANY, a Delaware corporation, located at Richmond, Virginia, hereinafter called the "Customer", Second Party,

WITNESSETH:

1. Merchants agrees to furnish to the Customer, at the Customer's request, and the Customer agrees to accept and use, upon the terms and conditions herein set forth, the following-described cars to be covered by this Agreement, for the use of each of which cars the Customer agrees to pay Merchants the following service charges:

Description of Cars-Service Charges.	Number Of Cars	Description	Service Charge
			Per Car Per Month
	6	85 & 89-foot flat cars, Nos. CREX 344, 345, 346, 347, 348, 349	\$227.50 per month

Said service charges shall become effective with regard to each of the cars, upon the date of the delivery of each thereof as hereinafter provided in Article 2, and shall continue in effect, with regard to each of the cars, until returned to Merchants at the end of the term of this Agreement, as hereinafter provided in Article 5. Payment of said service charges shall be made to Merchants at its principal office, 105 West Madison Street, Chicago, Illinois 60602, on the first day of each month in advance without deduction.

2. Each of the cars shall be considered as delivered to the Customer hereunder when each car is delivered to the customers plant, at McCook, Illinois, except that in the event any of the cars shall already be in the Customer's service under an expiring agreement or an agreement terminated hereby between the Customer and Merchants, each such car shall be considered as delivered to the Customer hereunder immediately following the expiration of such agreement.

Furnishing of any and all of the cars to the Customer hereunder shall be subject to all causes beyond the control of Merchants.

3. Each of the cars shall be subject to the Customer's inspection before the delivery of each thereof to the Customer hereunder; and such delivery shall constitute acceptance of each such car by the Customer hereunder, and shall be conclusive evidence of the fit and suitable condition of each of the cars for the purpose of transporting the commodities then and thereafter loaded therein.

Responsibility  
for Damage  
to Cars.

4. In the event of damage to any of the cars, or any part thereof, caused by the commodity contained therein, or incurred in the process of loading or unloading such commodity, or resulting from Customer's negligence, the Customer agrees to assume responsibility for such damage, and to reimburse Merchants for the amount thereof.

Return of  
Cars.

5. The Customer agrees, immediately upon the expiration or termination of this Agreement, to return each of the cars to Merchants, free from residue, at such plant of Merchants as Merchants shall at the time designate within the Chicago Switching District and the Customer further agrees to give Merchants advance written notice of such return.

Maintenance.

6. Merchants agrees to maintain each of the cars in good condition and repair, according to the Code of Rules of the Association of American Railroads. No alterations shall be made to any of the cars; and no repairs shall be made to any of the cars by the Customer for Merchants' account without Merchants' prior written consent. If any of the cars shall become unfit for service, and shall be reported to Merchants as needing repairs, then service charges covering each such car shall abate from and after a period of five (5) days from the date upon which each such car shall be so reported, until each such car shall be repaired and returned to service, or shall be replaced by another car; provided, however, that service charges shall not abate during the period throughout which any of the cars shall be out of service by reason of necessary repairs resulting from damage for which the Customer shall be responsible under the provisions of Article 4 hereof.

Escalation.

7. The estimated cost of maintenance of the cars included in the monthly rental payment is SEVENTY-FIVE (\$75.00) DOLLARS. On the first day of January of each year, the rental payment will be adjusted to reflect the changes in Association of American Railroads costs contained in the manuals. The basis for adjustment will be the labor rate established by the A.A.R. that is in effect on that date. The increase or decrease in the labor rate will be calculated as a percentage of the last preceding labor rate utilized by the parties for this same purpose on the last preceding first day of January. The percentage change will be applied to the then existing calculated amount of the rental payment allocated to maintenance. The monthly rental payment per car will be increased or decreased on January 1 of each succeeding year by the calculated adjustment.

Insurance.

8. Lessee shall at all times during the term of this Lease, including any renewals hereof, insure and keep insured at its own expense, each Car against general liability and property damage from the time the first Car is delivered to Lessee to the time the last Car is returned to Lessor while cars are in the custody of the Lessee.

Substitution  
of Cars.

9. In the event any of the cars shall become damaged or destroyed, Merchants shall have the right, but shall not be obligated, to substitute therefor, another car.

**Reports and  
Mileage.**

10. The Customer agrees to furnish Merchants promptly with complete reports of the movements of each of the cars, including dates loaded and shipped, commodity, destination, and full junction routing; and Merchants agrees to keep records pertaining to the movements of each such car. Merchants shall collect all mileage earned by the cars while the cars shall be in the Customer's service hereunder, and shall credit said mileage so collected to the Customer's car service account; provided, however, that the total of such mileage credits shall not exceed the aggregate service charges payable by the Customer under this Agreement. Merchants agrees to report said mileage credit to the Customer on or about the last day of the second month succeeding the month during which such mileage shall be earned if the mileage allowance is seven and one-half (7½) cents per mile or every six months if mileage allowance is six (6) mills per mile.

**Charges.**

11. The Customer agrees so to use the cars, upon each railroad over which the cars shall move, in accordance with the then prevailing tariffs to which each such railroad shall be a party; and, if the operation or movements of any of the cars, during the term hereof, shall result in any charges being made against Merchants by any such railroad, the Customer shall pay Merchants for such charges, within the period prescribed by, and at the rates and under the conditions established by, said then prevailing tariffs.

**Lettering  
of Cars.**

12. The Customer shall place no lettering or marking of any kind upon the cars without Merchants' prior written consent, except that, for the purpose of evidencing the operation of the cars in the Customer's service hereunder, the Customer shall be permitted to board, placard, or stencil, the cars, with letters not to exceed two (2) inches in height.

**Responsibility  
for Taxes.**

13. Merchants agrees to assume responsibility for and to pay, all property taxes levied upon the cars, and to file all property tax reports relating thereto. The Customer agrees to pay any and all import duties and excise taxes levied or assessed upon the cars for the Customer's use thereof hereunder.

**Responsibility  
for Loading.**

14. Merchants shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the cars unless such loss or damage shall be due to the negligence of Merchants, its agents or employees, latent defects in the cars, or its failure to carry out its obligations hereunder.

**Indemnification.**

15. During the term of this Lease, Customer will indemnify and save Merchants harmless from any and all liabilities, damages, claims, suits, judgments and costs that may arise from the use or operation of the cars except any liabilities, damages, claims, suits, judgments and costs due to the negligence of Merchants, its agents or employees, latent defects in the cars, or Merchants' failure to carry out its obligations under this Lease.

Assignment.

16. The Customer agrees to use the cars exclusively in the Customer's own service within the boundaries of the United States and Canada, and to make no transfer or assignment of this Agreement, or of the cars, without the prior written consent of Merchants; and this Agreement, and the rights of the Customer herein, shall not be assignable or transferable by operation of law.

Remedies.

17. If the Customer shall fail to carry out and perform any of the obligations on its part to be performed under this Agreement, or if a petition, in bankruptcy, for reorganization, for a Trustee, or for a Receiver, shall be filed by or against the Customer, then, and in any of said events, Merchants shall have, without notice or demand, the right immediately to repossess the cars, to remove the cars from the Customer's service, and to terminate this Agreement. If Merchants shall not terminate this Agreement, the Customer's liability for said car service charges shall continue. The rights and remedies herein given to Merchants shall in no way limit its rights and remedies given or provided by law or in equity.

Registration.

18. Merchants Investment Co. will have obtained proper listing of the cars in A.A.R. UMLER and approval for use in normal line haul and/or interchange service prior to in-service and/or effective date of Lease.

Verification.

19. Cars will not be accepted and rent will not accrue until verification of Paragraph 18 is furnished to Customer. Verification to include copy of official notification from A.A.R. showing acceptance and acknowledgement of listing in UMLER MASTER FILE.

Term of Agreement.

20. This Agreement shall remain in full force and effect, with regard to each of the cars, up to and including May 31, 1984.

Additional Provisions.

None

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered the day and year first above written.

ATTEST:

Bernice T. Gregor  
Assistant Secretary

MERCHANTS INVESTMENT CO.

By: Thomas S. Fieds  
President

(Customer to affix its corporate seal here.)

ATTEST:

Barbara A. Kelley  
Assistant Secretary

REYNOLDS METALS COMPANY

By: Donald Boyes (Title)  
DIRECTOR OF TRANSPORTATION



- 4 -  
H. Crist Myers