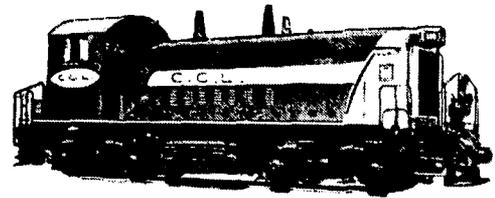


309-755 68

CHICAGO, ILL. - SILVIS, ILL. - LOS ANGELES, CAL.

CHROME CRANKSHAFT LOCOMOTIVE SALES CO.



MAIN OFFICE: 6010 SOUTH NEW ENGLAND AVE.
CHICAGO, ILLINOIS 60638
(312) 586-3030

CHICAGO BRANCH: (312) 646-3300
SILVIS BRANCH: (309) 755-6800

14323

REGISTRATION CO. COMPLETE LOCOMOTIVE REBUILDING - SALES - SERVICE - PARTS

MAY 17 1984 - 10 15 AM
INTERSTATE COMMERCE COMMISSION

May 10, 1984

No. 4-138A081
Date MAY 17 1984

Fee \$ 50.00

ICC Washington, D.C.

FEE OPERATION BR.
MAY 17 10 45 AM '84

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

Attn: Mildred Lee, Room 2303

Re: I.C.C. Filing

Dear Ms. Lee,

Enclosed please find an original and a copy of a LEASE AGREEMENT which we request that you file and record with the Interstate Commerce Commission.

Parties

Lessor: Chrome Crankshaft Locomotive Sales Co., Inc.
6010 S. New England Avenue
Chicago, Ill. 60638

Lessee: McLouth Steel
1491 West Jefferson Avenue
Trenton, Mi. 48183

We are enclosing our check # 6586, in the amount of \$50.00 payable to the Interstate Commerce Commission, to cover the fee for the filing and recording.

Kindly return a filed copy of the Lease and receipt for filing fee to us at your earliest convenience.

Very truly yours,

Stephen R. Meindl

SRM/ec

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

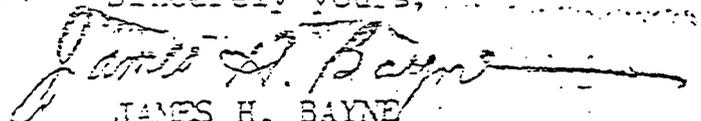
5/17/84

Stephen R. Meindl
Chrome Crankshaft
Locomotive Sales Co.
6010 S. New England Ave.
Chicago, Illinois 60638

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 **5/17/84** at **10:55am** and assigned re-recording number(s). **14323**

Sincerely yours,


JAMES H. BAYNE
Secretary

Enclosure(s)

SE-30
(7/79)

14323

RECORDATION NO. _____ FILED 1425

MAY 17 1984 - 10 15 AM

INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

This AGREEMENT made and entered into this 1 day of May, 1984, by and between CHROME CRANKSHAFT LOCOMOTIVE SALES CO., INC., HEREINAFTER referred to as "Lessor", and McLOUTH STEEL, a corporation, hereinafter referred to as "Lessee".

1. LEASE AGREEMENT: Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, the following described locomotive to wit: An E.M.D. SW8, road number 15 formerly RI826, upon the terms and conditions as set forth in the Lease.

2. DELIVERY: Delivery of said locomotive shall be accepted on the tracks at Lessor's plant in Silvis, Illinois, and it shall be the obligation of the Lessee to return said locomotive to Lessor's plant in Silvis, Illinois upon termination of this Agreement. Any reasonable and normal expenses incurred by the Lessor in delivering said locomotive to the Lessee shall be paid by the Lessee.

A) Said locomotive before delivery, shall be inspected by the Lessor and Lessee and statement made and jointly signed as to its condition with exception, if any, taken thereto. If any supplies shall be furnished with said locomotive, a memorandum thereof shall be made and signed by proper representatives of the parties hereto and attached to this contract, and such supplies or their equivalent in kind, or their value in money, shall be returned or paid to the Lessor by the Lessee when said locomotive is returned to the Lessor.

B) Having given Lessee the opportunity to examine the locomotive, the Lessor accordingly, makes no express or implied warranty of any kind whatsoever with respect to the locomotive, and all warranties express or implied are specifically disclaimed, including but not limited to: merchantability, fitness for use, design or condition of locomotive, the quality or capacity of the locomotive, the workmanship in the locomotive, compliance of the locomotive with the requirements of any law, rule, specification or contract pertaining thereto, or latent defects. Lessee expressly agrees that it is leasing the locomotive "as is", and no defect or unfitness of the equipment shall relieve Lessee of its obligations to pay rent or otherwise perform under this lease, except as follows:

A one year warranty commencing on the date of shipment will be allowed for material only on traction motors, traction generator, auxiliary generator, and air compressor. Lessee will be responsible for freight on return of failed material and freight out on warranty material. This warranty will not apply to any replacement necessitated by misuse, abuse, neglect, derailment, collision or other operational accident or vandalism. Lessee expressly agrees that it is leasing the locomotive "as is", and no defect or unfitness of the equipment shall relieve Lessee of its obligations to pay rent or otherwise perform under this Lease.

Diesel Engine Parts
JMG
4-26-84
M/4/27/84

3. TERM: The rental term under this Lease shall commence on the 1st day of May, 1984 and shall remain in full force and effect for a minimum of 36 months and after that date either of the parties hereto shall terminate same upon serving 30 days notice in writing to the other party hereto of its desire to terminate same.

4. RENTAL PAYMENT: Commencing on the 1st day of May, 1984 Lessee agrees to pay to Lessor for the use of said locomotive, the rate of \$60 per calendar day to be paid promptly at the beginning of each calendar month.

Payments will be mailed to:

Chrome Crankshaft Locomotive Sales Co.
P. O. Box 95456
Chicago, Illinois 60694

A) It is the intention of the parties that the rent provided herein shall be net to Lessor, and that all state, local, sales, use and occupation tax applicable to the rental of the locomotive as herein provided shall be paid by the Lessee and it is understood and agreed that the same may be invoiced by the Lessor to the Lessee.

5. MAINTENANCE & REPAIRS: Lessee agrees to keep and maintain said locomotive in good and proper repair and condition, at its own cost and expense, and said locomotive shall be returned upon the termination of this Agreement to the Lessor in as good condition as when received, ordinary wear and tear excepted.

A) The Lessor or its authorized representative shall have the right at all times to inspect said locomotive and shall be given convenient access to the same by the Lessee in order that the Lessor may assure itself that said locomotive is being maintained and kept in a satisfactory manner. If said locomotive shall be destroyed or damaged to such an extent that in the judgment of the Lessor it cannot be repaired and put in a serviceable condition, the Lessee hereby agrees to pay the Lessor a fair market value of \$86,000, being reduced by the amount of each monthly payment made, for said locomotive.

B) Lessee shall maintain a record as required by the Lessor of all maintenance performed by it on the locomotive and shall submit such record for examination and reproduction by Lessor.

6. INSURANCE: Lessee will furnish Lessor with a Certificate of Insurance.

7. DEFAULT: If the Lessee shall default in any of the payments herein agreed to be made by it, or in any of the obligations or agreements to be made or fulfilled by it as herein provided, or if in the judgment of the Lessor said locomotive is not being maintained satisfactorily, the Lessor may at once take possession of said locomotive and thereupon this Agreement shall cease and terminate, but such termination shall not affect the payment of any sums which may be due or become due hereunder from the Lessee to the Lessor.

8. INDEMNIFICATION: Lessee will protect, indemnify, hold and save harmless the Lessor from and against all claims, demands, damages, suits, losses, costs, attorney fees, liability awards, judgments, and expenses of whatever nature or loss or damage to property or injury or death to persons resulting in any manner directly or indirectly from use or operation of the locomotive covered by this Lease.

9. TITLE: Title to the locomotive shall remain with Lessor at all times, and Lessee shall have no right, Title or interest therein except as expressly set forth in this Lease. In furtherance thereof Lessor may file or record this Lease, a financing statement and/or any other relevant documents with respect thereto, and Lessee hereby agrees to execute any such documents presented by Lessor to give notice to any interested parties of Lessor's interest in the locomotive. Lessee, at its expense, will protect and defend Lessor's Title to the equipment and will keep the equipment free and clear from any and all claims, liens, encumbrances and legal processes of Lessee's creditors and other persons.

10. ASSIGNMENT OF LEASE: Lessee shall not sublet or loan the locomotive without prior express written consent of the Lessor.

11. MISCELLANEOUS PROVISIONS: This Lease shall in all respects be governed and construed in accordance with the laws of the State of Illinois.

A) This Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter of the Lease. No term or provision of the Lease may be waived, amended or terminated except by a written agreement signed by both Lessor and Lessee.

B) Any notices required hereunder shall be sent by certified mail, return receipt requested, or delivered by hand to the parties at the following address.

TO LESSOR: Chrome Crankshaft Locomotive Sales Co.
9th Street
Silvis, Il. 61282

ATTN: Gary C. Hill

TO LESSEE:

IN WITNESS WHEREOF, the parties hereto have executed this LEASE AGREEMENT in duplicate the day and year shown above.

CHROME CRANKSHAFT LOCOMOTIVE SALES COMPANY, INC.

BY: Lawrence J. Beal
LAWRENCE J. BEAL, CHAIRMAN

ATTEST: Stephen R. Meindl
STEPHEN R. MEINDL, CONTROLLER

Edna Carter
Notary Public
4/24/88

BY: [Signature]

TITLE VP Purchasing 4/27/84

ATTEST: _____

TITLE: _____

Subscribe and sworn before me on
this day April 27, 1984
Notary Public, County of Wayne,
State of Michigan
My Commission Expires April 9, 1988

Donald W. Fuller
Donald W. Fuller