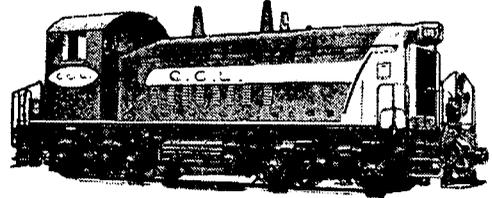


CHROME CRANKSHAFT LOCOMOTIVE SALES CO.

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

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

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



COMPLETE LOCOMOTIVE REBUILDING - SALES - SERVICE - PARTS

RECORDATION NO. Filed 1425
AUG 15 1984 - 2:02 PM
INTERSTATE COMMERCE COMMISSION
Interstate Commerce Commission
2th And Constitution Ave. N.W.
Washington, D.C. 20423

RECORDATION NO. Filed 1425
AUG 15 1984 - 2:02 PM
INTERSTATE COMMERCE COMMISSION

August 9, 1984

RECORDATION NO. 14407 Filed 1425
AUG 15 1984 - 2:02 PM
INTERSTATE COMMERCE COMMISSION

Attn: Ms. Mildred Lee, Room 2303

Date 8/15/84
Fee \$ 30.00
ICS Washington, D.C.

RE: I.C.C. Filing

Dear Ms. Lee:

Enclosed please find an original and a copy of three Lease Agreements 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, Illinois 60638

Lessee: Iowa Northern Railroad
53 W. Jackson Blvd.
Suite 530
Chicago, Illinois 60604

We are enclosing our check # 7663 in the amount of \$30.00 payable to the Interstate Commerce Commission to cover the fee for 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

Iowa

RECORDATION NO. 14407 Filed 1425

AUG 15 1984 - 2 12 PM

LEASE AGREEMENT INTERSTATE COMMERCE COMMISSION

This AGREEMENT made and entered into this 28th day of March, 1984, by and between CHROME CRANKSHAFT LOCOMOTIVE SALES CO., INC. HEREINAFTER referred to as "Lessor", and Iowa Northern Railroad Company, Inc., 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: E.M.D. 1750 horsepower road switching locomotive, model GP9, type: AAR symbol B-B former Burlington Northern locomotive, road number 1856, frame number 5384-13 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.

3. TERM: The rental term under this Lease shall commence on the 1st day of February, 1984, and shall remain in full force and effect for a minimum of 60 months, and after that date, and upon receipt of the 60th payment in full, Lessor shall transfer title to said locomotive to Lessee. Provided However, that the Lessee may terminate this Lease if the Lessee so chooses, by notifying the Lessor in writing on or before June 1st, 1984. If said Lease is so terminated by the Lessee, the Lessee shall pay a lump sum Lease settlement

LJB

of \$20.00 per calendar day for each day said Lease was in effect, which payment will be due over and above the normal daily rental as provided in paragraph 4 below. If Lessee fails to notify Lessor, in writing, of its intention to terminate this Lease, by ~~June 1st.~~ Ag 1 1984 then this Lease shall remain in full force and effect for the full 60 month Lease term. *AB*

4. RENTAL PAYMENT: Commencing on the 1st. day of February 19 84, Lessee agrees to pay to the Lessor for the use of said locomotive, the rate of \$ 35.00 per calendar day, to be paid promptly at the beginning of each calendar month.

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 along with the regular daily rental as hereinabove provided.

5. MAINTENANCE & REPAIRS: The 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 servicable condition, the Lessee hereby agrees to pay to the Lessor a fair market value of \$ 45,000.00 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: Prior to the commencement of the term of the Lease, Lessee, at its sole expense, shall obtain insurance coverage, on said locomotive, satisfactory to Lessor, which shall include property damage insurance in an amount equal to or exceeding the fair market value as indicated in paragraph 5. A) above, along with public liability insurance with respect to the locomotive and the use thereof in an amount equal to or exceeding \$1,000,000/\$3,000,000 for bodily injury, and \$1,000,000/\$3,000,000 for property damage and on the date hereof, deliver to Lessor, a certificate of insurance evidencing such coverage, naming Lessor as co-insured, and providing that said insurance coverage may not be terminated or reduced without at least ten days prior written notice to Lessor.

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: Except as provided in paragraph 3 above on payment in full of the Lease, 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.
P.O. Box 197, Silvis, Ill. 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, PRESIDENT

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

Edna Carter
Notary Public
3/12/84

BY: _____
TITLE John W. Gohmann
John W. Gohmann, President

ATTEST: Jan M. Goble
TITLE Asst. Secretary