

# Funding Systems Railcars, Inc.

TRI-STATE CENTER • SUITE 370 • 2215 SANDERS RD. • NORTHBROOK, IL 60062 • (312) 272-8350

14359

June 26, 1984

RECORDATION NO. .... Filed 1425

No. 4-180A029

JUN 28 1984 3 05 PM

Date JUN 28 1984

Mr. James H. Bayne  
Secretary INTERSTATE COMMERCE COMMISSION  
Interstate Commerce Commission  
Washington, D.C. 20423

Fee \$ 50.00  
ICC Washington, D. C.

Dear Sir:

Enclosed for recordation pursuant to the provisions of Section 11303 of Title 49 of the United States Code and regulations thereunder are the original and one copy of Utilization Agreement, June 11, 1984.

The names and addresses of the parties to the enclosed documents are:

Lessor: Funding Systems Railcars, Inc.  
Suite 370  
2215 Sanders Road  
Northbrook, Illinois 60062

Lessee: The LaSalle & Bureau County Railroad Company  
12800 South Butler Drive  
Chicago, Illinois 60633

A general description of the railroad equipment covered by the enclosed documents is as follows:

Thirty (30) 100 ton gondola cars bearing the identification marks LSBC.

The original and all extra copies of the enclosed documents should be returned to Ms. Sharon Schumacher of Funding Systems Railcars, Inc. 2215 Sanders Road, Suite 370, Northbrook, Illinois 60062.

RECEIVED

JUN 28 2 59 PM '84

I.C.C.  
FEE OPERATION BR.

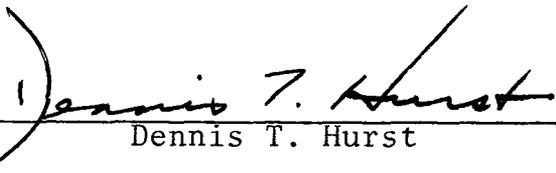
Mr. James H. Bayne  
Interstate Commerce Commission  
June 26, 1984  
Page 2

Also enclosed is a remittance in the amount of \$50.00 for payment of primary document recordation fees.

I am an officer of Funding Systems Railcars, Inc., and have knowledge of the matters set forth herein.

Very truly yours,

Funding Systems Railcars, Inc.

By   
Dennis T. Hurst

rlm

Enclosures

VIA: CERTIFIED MAIL

Interstate Commerce Commission  
Washington, D.C. 20423

6/28/84

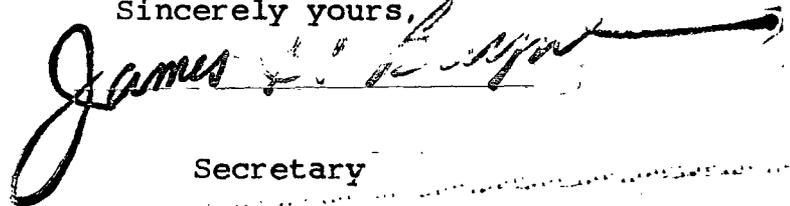
OFFICE OF THE SECRETARY

Sharon Schumacher  
Funding Systems Railcars, Inc.  
2215 Sanders Rd. Suite 370  
Northbrook, Illinois 60062

Dear Ms. Schumacher:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/28/84 at 3:05pm and assigned re-  
recording number(s). 14359

Sincerely yours,



Secretary

Enclosure(s)

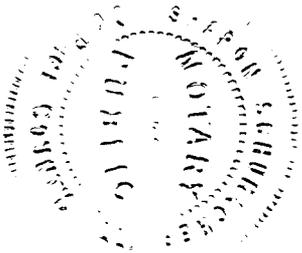
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RECORDATION NO. .... Filed 1425

JUN 28 1984 3 05 PM

INTERSTATE COMMERCE COMMISSION

STATE OF ILLINOIS )  
                          )  
COUNTY OF DUPAGE  )

On this 26<sup>th</sup> day of JUNE, 1984, I hereby certify that I have compared the attached copy of the Utilization Agreement between Funding Systems Railcars, Inc. ("Lessor") and The LaSalle & Bureau County Railroad Company ("Lessee"), dated June 11, 1984 with the original and have found the copy to be complete and identical in all respects to the original document.



[Seal]

Sharon Schumacher

My Commission Expires Jan. 27, 1985

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JUN 28 1984 3 05 PM

UTILIZATION AGREEMENT

INTERSTATE COMMERCE COMMISSION

Funding System Railcars, Inc. (hereinafter referred to as "FSR") agrees to supply and The LaSalle & Bureau Railroad Company (hereinafter referred to as "LSBC") agrees to accept thirty (30) gondola cars (hereinafter referred to as the "Cars" or a "Car") for placement on the LSBC, subject to the terms and conditions of the Agreement.

1. Scope of the Agreement

A. FSR shall place LSBC identifying marks on the cars. LSBC shall collect all mileage charges and car hire revenues, which will be accounted for separately by LSBC and will be retained in trust by LSBC for the benefit of FSR.

B. LSBC shall register the cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register.

C. LSBC agrees to use its best efforts consistent with LSBC's then current car utilization practices to keep FSR's cars in regular service and load FSR cars prior to substantially similar foreign line cars.

D. FSR shall bear cost and expense for movement of the cars to the LaSalle & Bureau County Railroad Company.

E. LSBC agrees to use its best effort to maximize off-line utilization.

1. Term

A. The term of this Agreement shall commence on May 15, 1984 and shall extend until May 15, 1985, unless sooner terminated, as hereinafter provided.

B. This Agreement shall terminate at the option of FSR upon thirty (30) days written notice to LSBC in the event that for a period of two (2) consecutive months off-line utilization of the cars averages less than fifty percent (50%). This Agreement shall terminate at the option of LSBC upon thirty (30) days written notice to FSR in the event that the present operators of the LSBC are asked to vacate the railroad by the Chicago, Rock Island and Pacific Railroad Trustee.

3. Railroad Markings and Recordkeeping

A. Unless prohibited from doing so, LSBC shall, during the term of this Agreement, prepare and file all documents related to the registration, maintenance and recordkeeping function normally performed by LSBC with respect to equipment similar to the cars. FSR reserves the right to review the UMLER submissions pertaining to these cars.

B. LSBC shall, on behalf of FSR, perform all recordkeeping functions related to the use of the cars by LSBC and other railroads in accordance with AAR Railroad Interchange Agreements and Rules, such as car hire reconciliation.

C. LSBC will furnish monthly to FSR copies of the car hire earnings reports received from the railroads and AAR maintenance bills charged to LSBC relating to the cars covered by this Agreement.

D. FSR shall indemnify and save harmless the LSBC from all costs, damages and expense resulting from FSR furnishing incorrect cost data for submission to the Universal Machine Language Equipment Register.

#### 4. Maintenance, Taxes and Insurance

A. FSR will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each car during the Agreement term and any extension thereof as to such car including, but not limited to, repairs, maintenance and servicing provided; however, LSBC shall be responsible for the condition of the cars while on its lines, as if the cars were owned by another railroad signatory to the Interchange Rules. FSR will approve all bills, including maintenance bills, prior to payment. Cars will not be used in any type service that would result in extraordinary wear and tear to the cars/equipment.

B. It is the intent that FSR have all of the rights and obligations of the owner of the equipment, except for any rights reserved or given LSBC herein including, but not limited to, the right to collect car hire payments. Upon FSR's written approval, LSBC shall have the right, at FSR's expense, to perform all such obligations required of an owner under the Code of Interchange Rules promulgated by the AAR and LSBC may make or cause to be made corrections to "Owner's Responsibility" defects, as defined in Rule 96 of the AAR Interchange Rules at FSR's expense to facilitate continued use of a car. LSBC shall follow instructions given by FSR to accomplish such corrections at FSR's expense, including designation of home shop(s) for wreck repair. FSR shall also make, at its expense, all alterations, modifications or replacement of parts, as shall be necessary to maintain the cars in good operating condition throughout the term of the Agreement. FSR may substitute any or all of the cars with similar gondola cars, upon prior written notice from FSR to LSBC.

C. FSR agrees, at its expense, to keep the cars adequately insured. FSR reserves the right of subrogation against the responsible parties.

D. FSR agrees to reimburse LSBC for all taxes, assessments and other governmental charges of whatsoever kind or character paid by LSBC relating to each car which may be accrued, levied, assessed or imposed on LSBC during the term of this Agreement (except for taxes based on LSBC's income). However, FSR reserves the right to contest any payments for taxes, assessments and other governmental charges.

#### 5. Prohibition to Use Cars as Collateral

LSBC shall not utilize the cars as collateral nor perform or permit any lien or encumbrance of whatever nature to be imposed on any of the cars; nor shall LSBC take or permit any action to be taken which would or could in any manner affect the clear title or interest of FSR

in said cars except for liens, if any, arising from the failure of FSR to pay for maintenance expenses, taxes, insurance and approved capital improvements.

The rights of LSBC to the use of the cars supplied pursuant to this Agreement are subject and subordinate to the rights of any owner, trustee, vendor or secured party given in connection with acquisition and financing of the cars.

## 6. Collections

A. LSBC shall collect all car hire, both time and mileage, earned by the cars each month and shall remit to FSR the amount collected each month with a listing of receivables still outstanding within seventy (70) days after each service month. Receivables collected subsequent to seventy (70) days after the service month will be forwarded with the next service month revenues.

B. LSBC shall bear no per diem or mileage costs while the cars are empty on its railroad and LSBC's use of the cars without charge while empty on its lines shall constitute its sole and exclusive compensation under this Agreement.

C. FSR agrees that the hourly car hire charges for the gondola cars subject to this Agreement shall not exceed sixty cents (\$.60) per car per hour.

D. LSBC agrees that it will not grant either full or partial car hire relief on any equipment subject to this Agreement without the express written consent of FSR. Also, LSBC agrees that it will not change the applicable car hire rates, both time and mileage, without the express written consent of FSR.

## 7. Termination

A. At the expiration or termination of this Agreement as to any of the cars, LSBC will surrender possession of such cars which are on LSBC's railroad lines or on the line of any affiliate of LSBC to FSR, by delivering the cars empty and free of product accumulation to any LSBC interchange point, free of freight charges. LSBC agrees to follow FSR's instructions in directing railroads in possession of the cars to return the cars to railroad lines designated by FSR.

B. FSR shall accomplish such removal and replacement of railroad markings by either (1) directing LSBC to do so as to units in LSBC's possession or (2) arranging to have the railroad in possession perform such work, all at FSR's expenses.

C. In the event the cars supplied to LSBC shall be destroyed or otherwise become unavailable for service, this Agreement as to any such car shall automatically terminate and FSR shall be released from any further liability to LSBC as to any such car.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute this Agreement, this 11<sup>th</sup> day of June, 1984.

FUNDING SYSTEMS RAILCARS, INC.

THE LASALLE & BUREAU COUNTY  
RAILROAD COMPANY

By: J. N. Ball

By: Chas H. Johnson

Title: Executive Vice President - Operations

Title: President

LEASE SCHEDULE NO. 1

Lease Scheduled dated as of the 11<sup>th</sup> day of JUNE, 1984,  
by and between Funding Systems Railcars, Inc. ("Lessor") and The LaSalle  
& Bureau County Railroad ("Lessee"), pursuant to a certain Utilization  
Agreement dated as of JUNE 11, 1984, between Lessor and Lessee  
(the terms and conditions of said Utilization Agreement are incorporated  
herein by reference.)

DESCRIPTION OF EQUIPMENT: Thirty (30) 52'6" long, 5' high side,  
100 ton gondola cars

REPORTING MARKS AND NUMBERS:

LSBC 5077	LSBC 5099	LSBC 5132
5080	5100	5137
5082	5104	5140
5083	5114	5144
5085	5116	5145
5090	5119	5150
5092	5122	5154
5093	5123	5162
5094	5128	5163
5095	5131	5165

TERM: One (1) year

WITNESS the due execution hereof as of the day and year  
first above written.

THE LaSALLE & BUREAU  
RAILROAD COMPANY

By: *Paul W. Johnson*

Title: *President*

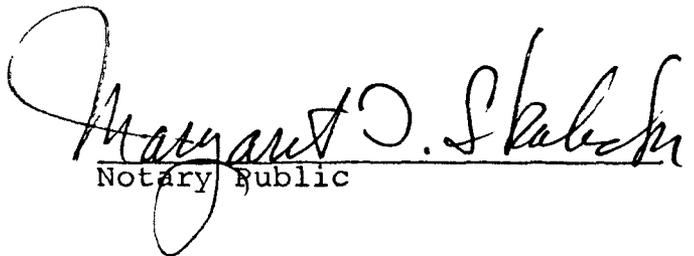
FUNDING SYSTEMS RAILCARS, INC.

By: *J. N. Ball*

Title: *Executive Vice President-Operations*

STATE OF ILLINOIS :  
COUNTY OF COOK : ss.

On this 11th day of June, 1984, before me personally appeared JOHN W. GOHMANN, to me personally known, who being by me duly sworn, says that he is President of THE LaSALLE & BUREAU COUNTY RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of that 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.

  
Notary Public

(Notarial Seal)

My Commission Expires: **NOTARY PUBLIC STATE OF ILLINOIS**  
**MY COMMISSION EXPIRES MAR 12 1986**  
**ISSUED THRU ILLINOIS NOTARY ASSOC**

