RECORDATION NO. 12443-E Filed 1425

SEP 17 1981 -9 30 AM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12443-D Filed 1425

SEP 17 1981 -9 30 AM

INTERSTATE COMMERCE COMMISSION

United States Rail Services, Inc.

633 Battery Street
San Francisco, California 94111
(415) 445-7690

September 11, 1981

Date 9/17/81
Fee $ 150.00
ICC Washington, D.C.

RECORDATION NO. 12443-C Filed 1425

SEP 17 1981 -9 30 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Mrs. Lee
12th Street & Constitution Avenue, N.W., Room 2303
Washington, D.C. 20423

Dear Mrs. Lee:

Pursuant to our telephone conversation of September 10, 1981, enclosed are the subleases and lease that I would like filed and registered with the I.C.C.

The documents enclosed are as follows:

1. Letter of transmittal; original and conformed copies of Schedule No. 2, to Car Lease 80-26, dated October 29, 1980, between United States Rail Services, Inc. and Chicago Short Line Railway Company; and the filing fee.

2. Letter of transmittal; original and conformed copies of Car Lease and Schedule No. 1, Lease No. 80-26, dated October 29, 1980, between United States Rail Services, Inc. and Chicago Short Line Railway Company; and the filing fee.

3. Letter of transmittal; original and conformed copies of Car Lease and Schedule No. 1, Lease No. 80-31, dated November 18, 1980, between United States Rail Services, Inc. and Aliquippa & Southern Railroad Company; and the filing fee.

I appreciate your help in this matter.

Very truly yours,

Gerald A. Davis
Counsel

Encls.

Interstate Commerce Commission

Washington, D.C. 20423

9/17/81

OFFICE OF THE SECRETARY

Gerald A. Davis, Counsel
U.S. Rail Services, Inc.
633 Battery Street
San Francisco, Calif. 94111

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 9/17/81 at 9:30am, and assigned re-recordation number(s).

12443-C, 12443-D & 12443-E

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

REGISTERED MAIL
RETURN RECEIPT REQUESTED

RECORDATION NO. 12443-C Filed 1425

September 11, 1981

SEP 17 1981 -9 30 AM

INTERSTATE COMMERCE COMMISSION

United States
Rail Services, Inc.

633 Battery Street
San Francisco, California 94111
(415) 445-7690

9/17/81
Date
Fee $ 50.00
ICC Washington, D. C.

Interstate Commerce Commission
Mrs. Lee
12th Street & Constitution Avenue, N.W., Room 2303
Washington, D.C. 20423

Dear Mrs. Lee:

Enclosed please find Car Lease and Schedule No.1, Car Lease No. 80-26, dated October 29, 1980 between United States Rail Services, Inc. and Chicago Short Line Railway Company. This lease is a sublease of the Cars which were acquired by United States Rail Services, Inc. pursuant to an Equipment Lease between Seafirst Leasing Corporation and United States Rail Services, Inc. This Equipment Lease was filed with the I.C.C. on November 26, 1980, Recordation No. 12443. Please file the enclosed Car Lease and Schedule No. 1 under this same number.

The following documents are submitted for filing and recording:

One original and two conformed executed and notarized copies of Car Lease and Schedule No. 1, Lease No. 80-26, dated October 29, 1980, between United States Rail Services, Inc. and Chicago Short Line Railway Company.

The equipment covered is as follows:

Car Lease and Schedule No. 1: 100 ton General Purpose Gondola Cars; numbered CSL 101 through CSL 175.

Also enclosed is a check in the amount of $50.00 in payment of the recording fee.

Once the filing has been made please return the following: the filed counterparts not required for filing purposes; the fee receipt; the letter from the Interstate Commerce Commission acknowledging the filing; and the extra copy of this letter of transmittal.

Should you have any questions I can be reached at (415) 445-7655.

Very truly yours,

Gerald A. Davis
Counsel

Encls.

RECORDATION NO. 12443-C Filed 1425

SEP 17 1981 -9 20 AM

INTERSTATE COMMERCE COMMISSION

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 11th day of September, 1981 before me personally appeared Gerald A. Davis, Secretary of United States Rail Services, Inc., to me personally known who being by me duly sworn, says that he has compared the foregoing Car Lease and Schedule No. 1, Lease No. 80-26, dated October 29, 1980, between United States Rail Services Inc. and Chicago Short Line Railway Co. with the originals and that the foregoing copy is a true and complete copy of the original documents, including date, signature and acknowledgements.

Sylvia P. Ferras
Notary Public

(SEAL)

My commission expires:

OFFICIAL SEAL
SYLVIA P. FERRAS
NOTARY PUBLIC - CALIFORNIA
City & County of
San Francisco
My Commission Expires Dec. 12, 1981

CAR LEASE AND SCHEDULE NO. 1

Lessee: CHICAGO SHORT LINE RAILWAY CO.
Car Lease No: 80-26
Date: October 29, 1980

AAR Mech. Design	Description	Numbers	Dimensions			Door Width if applicable	Quantity
			Length	Width	Height		
GB	100 Ton General Purpose Gondola Cars	CSL 101 thru 175	52'6"	9'6"	5'0"	N/A	75

Anticipated Delivery Date: 11-15-80
Term: Two (2) years
Latest Available Delivery Date: 12-15-80
Rental Percentage: 85 percent
Lessee's Percentage: 15 percent

UNITED STATES RAIL SERVICES, INC. ("Lessor") agrees to lease to the above named lessee ("Lessee") and Lessee agrees to lease from Lessor the group of cars described on the above Schedule and all other group(s) of cars described on any Schedule(s) hereafter executed by the parties and made a part of this Agreement (collectively "Cars") on the following terms and conditions:

1. General: Lessee shall lease each Group from Lessor for the Term which shall commence upon the execution of the Schedule for a Group and expire, unless terminated as elsewhere provided in this Agreement, the number of Contract Years in the Term after actual delivery of the last Car in such Group or the Latest Available Delivery Date for such Group, whichever date is first. As rental for each Group of Cars, Lessor shall be entitled to an amount ("Rental") for the Group for each Contract Year equal to the product of (a) the total for such Contract Year of all Net Car Hire Revenues earned in such Contract Year by the Cars in the Group commencing on the respective Initial Loading of each Car on the line of Lessee; multiplied by (b) the Group's Rental Percentage. In addition, Lessor shall be entitled to, as additional

rental, any amounts earned by each Car, during the period prior to its Initial Loading on the line of Lessee. Such Initial Loading shall be deemed to have occured on the earlier of (i) its actual loading on Lessee's line or (ii) 31 days following its Delivery Date.

2. Definitions. When used in this Agreement, the following terms shall have the following meanings:

(a) Agreement: This Car Lease and all Schedules thereto.

(b) AAR: Association of American Railroads or any successor thereto.

(c) Rental: The amount for a Contract Year for all Cars as defined in Section 1.

(d) Car Hire Revenues: All amounts payable by any railroad line for the use of a Car including but not limited to hourly time charge payments and mileage charges, but excluding any sum payable as a consequence of the loss of or damage to a Car.

(e) Contract Year: For each Group the periods during the Term commencing (i) on the delivery of the first Car in the Group and ending twelve months following the last day of the month in which the last Car in the Group was delivered; and (ii) the twelve month periods during the Term commencing on the day following the expiration of the first Contract Year and each anniversary of such day.

(f) Delivery Date: The date for each Car upon which Lessee or Lessor, as agent for Lessee, accepts delivery of such Car under this Agreement.

(g) Group: The Cars leased under a particular Schedule.

(h) ICC: Interstate Commerce Commission or any successor thereto.

(i) Initial Loading: The first loading of a Car, whether on the Lessee's line or on the line of any other railroad.

(j) Lessee's Equipment: Freight cars (other than the Cars) leased or owned by Lessee but excluding foreign cars which are interchanged to Lessee.

(k) Net Car Hire Revenues: Car Hire Revenues less any sales or use taxes included in or due thereon or measured by any amounts payable by Lessee to Lessor as rental.

(l) Net Revenues: All amounts payable by any railroad line for the use of a Car or Lessee's Equipment, including but not limited to, hourly time charge payments and mileage charges, but excluding (a) any sum payable as a consequence of the loss of or damage to a Car or Lessee's Equipment; (b) any sales or use taxes included in or due thereon or measured by any amounts payable by Lessee to Lessor as Rental; and (c) all reclaims.

3. Delivery

3.1 Delivery. The Anticipated Delivery Date is Lessor's best estimate of the Delivery Date of the first Car in a Group. It shall be subject to, and appropriately adjusted for, the manufacturer's prior scheduling, any delays encountered by such manufacturer in manufacturing the Cars, and any other delays beyond Lessor's or the manufacturer's reasonable control. Lessor shall keep Lessee reasonably advised of any changes in the Anticipated Delivery Date and the expected Delivery Dates of the other Cars in the Group. No adjustment of the Anticipated Delivery Date shall be a breach of this Agreement nor excuse either party from performance of this Agreement; provided, however, Lessee or Lessor shall have the option to cancel this Agreement with respect to any Car not delivered on or before the Latest Available Delivery Date.

3.2 Specifications. The Cars in each Group shall conform to the general specifications set forth in the Schedule covering them and to all applicable governmental and regulatory requirements. The Cars shall bear the markings as designated by Lessee and permitted by applicable regulations. If the railroad markings are not known at the time a Car is made subject to this Agreement, Lessee hereby authorizes Lessor to complete this Agreement with such markings prior to the Delivery Date of such Car. The Cars may bear, on their delivery and during the Term, any appropriate markings reflecting Lessor's or any other party's interest therein.

3.3 Inspection and Delivery. As Lessee's agent, Lessor shall accept delivery of the Cars at the manufacturer's facility or any other location chosen by Lessor to avoid or minimize sales, use or property taxes. Each Car shall be subject to this Agreement and deemed delivered to and accepted by Lessee for all purposes under this Agreement upon acceptance by Lessor.

3.4 Initial Loading. Following its Delivery Date, each Car shall be moved to Lessee's line at no cost to Lessee for its Initial Loading on Lessee's line. Lessor and Lessee acknowledge that due to the nature of railroad operations Lessor cannot control or determine when a Car will actually be available to Lessee for its Initial Loading. Prior to a Car's Initial Loading on Lessee's line, neither party shall, without the prior written consent of the other party, issue a movement order for such Car that would result in any cost or charge to Lessor or Lessee.

4. Payment of Rental

4.1 Accrual of Rental. Rentals under Section 1 shall accrue as and when Net Car Hire Revenues are earned but shall be paid as provided in Section 4.2 only as and when the Net Car Hire Revenues are received by Lessor.

4.2 Collection and Payment. Car hire reports shall be sent to Lessee. Lessee shall collect the Net Revenues shown due on such car hire reports. Lessee shall forward, via overnight courier, on or before the 26th day of each month, all originals of car hire reports and detailed supplemental information. Lessor shall draw a bank draft on Lessee for the Net Revenues. Within ten (10) working days after Lessor draws such bank draft, Lessor shall pay Lessee, by check or by wire transfer as directed by Lessee, Net Revenues collected for Lessee's Equipment plus Lessee's Percentage of all Net Car Hire Revenues received by Lessor and shall promptly send Lessee a summary of all Net Revenues received from the date of the last summary. If any railroad reduces any Car Hire Revenue due hereunder by offsetting against such Car

Hire Revenue, amounts owed to such railroad by Lessee for the use of such railroad's freight cars or otherwise, Lessee shall pay to Lessor upon request the amount of Car Hire Revenues not paid by such railroad.

Lessor shall, within five months following the end of each quarter of each Contract Year, calculate on a cumulative quarterly basis and give Lessee notice of the Car Hire Revenues earned in such Contract Year. The provisions of this Section 4.2 shall remain in effect following expiration or termination of the Term until Lessor and Lessee shall have received all Rentals due them hereunder.

5. Operation; Movements; Preferences

5.1 Lessee's Use. So long as Lessee shall not be in default under this Agreement and subject to Section 14.1, Lessee shall be entitled during the Term to the control, use and quiet enjoyment of the Cars in accordance with the terms and conditions of this Agreement and in the manner and to the extent Cars are customarily used in the railroad freight business. Lessor shall not be liable for any consequential damages or loss of profits caused by the failure to deliver, loss of, damage to or unavailability of any Car for any reason whatsoever.

5.2 Limitations on Lessee's Use. Lessee shall retain on its line no more Cars than are necessary to fulfill its immediate requirements to provide transportation services for shippers on its line. To the extent Lessee has physical possession and/or can control the use of the Cars, Lessee shall not permit (i) use or operation of any Car at any time in contravention of or in non-compliance with the laws of the jurisdiction in which the same may be located or in contravention of or non-compliance with any lawful act, rule, regulation or order of any governmental body or officer having power to regulate or supervise the use of the Car; (ii) use of the Car so as to subject it to more than usual wear and tear or shorten its service life; (iii) assignment of any Car for more than fifty (50) days in any calendar year to any form of international service or use outside the boundaries of the contiguous United States; or (iv) use of a Car for the carriage of a hazardous or corrosive lading. Either Lessor or Lessee may in good faith and by appropriate proceedings contest the application of any rule, regulation or order relating to the use or operation of the Cars in any reasonable manner at the expense of the contesting party.

5.3 Car Movements. Except as expressly provided in this Section 5.3 and in Section 15, Lessee shall issue all movement orders covering the Car to other lines in accordance with applicable ICC and AAR interchange agreements and rules, which movements shall be made at its expense. Lessee shall keep Lessor reasonably advised of Car movements. Lessor, as Lessee's agent and at Lessor's option, may issue such movement orders as it considers necessary to maximize utilization of the Cars. Such movements shall be at Lessor's expense and in accordance with applicable ICC and AAR interchange agreements and rules. Lessor shall keep Lessee reasonably advised of such Car movements.

6. Administration

6.1 Lessee's. Lessee shall, at its expense:

(a) provide Lessor with reports regarding the use of the Cars by Lessee on its line as Lessor may reasonably request;

(b) prepare and file on its own behalf and Lessor's behalf all sales and use tax returns and all ad valorem, property and other tax returns (excluding income tax returns) required because of the operation, use, lease, or ownership of the Cars during the Term; and

(c) receive and transmit promptly to Lessor any reports or statements received by Lessee regarding repairs or maintenance required by any Car or accidents involving any Car.

6.2 Lessor's. Lessor shall at its expense:

(a) perform all record keeping functions relating to the use of the Cars by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules, such as car hire reconciliation (correspondence from railroads using the Cars shall be addressed to Lessee at such address as Lessor shall select); and

(b) prepare for execution and filing by Lessee all documents and reports relating to the registration, maintenance and use of the Cars (such documents and reports shall include, but are not limited to, the following: (i) appropriate AAR documents including an application for relief from AAR Car Service Rules 1 and 2 if requested by Lessee and approved by Lessor; (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Railway Equipment Register; and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies).

6.3 Lessee's Equipment. Upon ninety (90) days written notice from Lessee, Lessor shall perform, commencing on or any time after the first Delivery Date, the obligations described in Section 6.2 for all items of Lessee's Equipment. Lessee shall pay quarterly in arrears Lessor an annual fee of $120.00 per Contract Year per item of Lessee's Equipment excluding any Lessee Equipment acquired on or before October 15, 1980. Such fee shall be (i) prorated for any periods of performance which are less than a full Contract Year; and (ii) adjusted on the first day of each Contract Year to equal an amount which bears the same ratio to $120.00 as the AAR labor billing rate on the first day of such Contract Year bears to the AAR labor billing rate on the date of the Car Lease.

6.4 Assistance. Each party shall (i) provide the other party with any information in such party's possession necessary to enable the other party to perform its obligations under this Section 6; (ii) execute and file any reports, returns, and documents prepared by the other party pursuant to this Section 6 which must be executed and filed by such party provided such party is reasonably satisfied as to the accuracy thereof; and (iii) cooperate with the other party and render such other assistance as is reasonably necessary to enable the other party to perform its obligations under this Section 6. Each party shall be entitled to copies of all reports, returns, and documents prepared and filed by the other party pursuant to this Section 6.

6.5 Inspection of Records. All records kept by a party hereunder, including records of payments, charges and correspondence, shall be separately maintained in a form suitable for reasonable inspection and copying by the other party and its agents from time to time during regular business hours and upon reasonable notice.

7. Maintenance; Loss; Improvements

7.1 Lessor's Responsibility. Except as provided in Section 7.2, Lessor shall bear the cost of any loss of or damage to the Cars, and shall perform, or cause to be performed, at its expense all necessary inspections, repairs, servicing, and maintenance. Lessor and its agents shall have the right at any time during reasonable business hours and upon reasonable notice to inspect any Car then on Lessee's line. Lessee shall cooperate with Lessor whenever Lessor desires to make an inspection of a Car on the line of another railroad. Lessor shall be entitled to and Lessee shall take such action as Lessor may request to assure that Lessor receives all amounts and damages payable by, or due from, any railroad or other person or entity by reason of the loss or damage (whether total or partial) to a Car.

7.2 Lessee's Responsibility. Lessee shall be responsible for and bear the cost of:

(a) any loss of or damage to a Car occurring while on Lessee's line in the same manner that Lessee is responsible under applicable rules including AAR Code of Car Service Rules-Freight, AAR Code of Car Hire Rules and Interpretations-Freight and AAR Interchange Rules for Cars not owned by Lessee on Lessee's lines;

(b) any cardable damage to the Car, or any maintenance or repairs required for the Car, which exist or are required but are not noted by Lessee at the time the Car is interchanged to it, except Lessee shall not bear the cost of damages, maintenance or repairs which are owner's responsibility under AAR Interchange Rules applicable on the date of this Car Lease; and

(c) any losses, damages or liabilities resulting from any negligent acts or omissions of Lessee.

Lessee shall perform at Lessor's expense running repairs to facilitate continued and immediate use of the Cars and repairs required by the AAR Interchange Rules for the continued use of the Cars but shall perform no other maintenance or repairs at Lessor's expense except as may be reasonably requested by Lessor. Lessee shall promptly perform in its ordinary course of business any such repair or maintenance requested by Lessor and which is normally performed by Lessee.

7.3 Improvements. Lessee shall not make any alterations, improvements or additions (collectively "Improvements") to the Cars without Lessor's prior written consent. If Lessee makes an Improvement without Lessor's prior written consent, Lessee shall be liable to Lessor for any revenues lost due to the Improvement and the costs incurred by Lessor in restoring the Car to its original condition, if restoration is performed, at Lessor's option. Any Improvement shall be an accession to the Car and title to the Improvement shall be and remain with Lessor at no charge or cost to Lessor.

8. Expiration. Upon the expiration or earlier termination of the Term for a Group, Lessee shall return to Lessor the Car(s) in the Group as directed by Lessor pursuant to Section 10.

9. Removal of Cars

9.1 Damaged or Destroyed Car. In the event that the destruction or damage beyond repair of a Car has been reported in accordance with Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freight (or other appropriate rules or regulations) and the appropriate amount due in accordance with AAR Interchange Rule 107 (or other appropriate rules or regulations) as a result thereof is received by Lessor, the Term shall terminate with respect to the damaged or destroyed Car as of the date that earnings of Car Hire Revenues ceased.

9.2 Regulatory Action. If by reason of any change in any law, rule or regulation occurring after the date of this Car Lease, the benefits of this Agreement to Lessor or Lessee are materially decreased or its obligations are materially increased, the affected party may, at its option, terminate the Agreement with respect to any or all Cars.

9.3 Seven (7) Day Limitation; Return. If at any time a Car ("Idle Car") remains on Lessee's line for more than seven (7) days in any month, then Lessor may, at its option, upon twenty four (24) hours written notice to Lessee, terminate this Agreement as to the Idle Car and direct its return as provided in Section 10. Such option shall be exercisable at any time during the month the Idle Car remained on the Lessee's line for seven days and for a period of ten (10) days thereafter.

10. Return of Cars

10.1 Lessor's Direction; Effect. Upon Lessee's receipt of a direction given by Lessor as permitted by this Agreement to return any or all Cars, Lessee shall return the Cars affected as provided in this Section. A Car shall be deemed returned to Lessor upon the removal of Lessee's railroad markings from the Car, the placing thereon of such markings as may be designated by Lessor, and the surrender of physical control thereof to Lessor. Upon Lessee's receipt of such directon, all amounts earned thereafter in respect to the Cars covered by such direction shall belong to Lessor and, if received by Lessee, shall be promptly paid to Lessor.

10.2 Place. Each Car shall be physically returned either on Lessee's line or the line of another railroad, as designated by Lessor. If a Car is not on Lessee's line upon receipt of such direction, any cost of assembling, delivering, storing and transporting the Car to Lessee's line or the line designated by Lessor shall be borne by Lessor.

10.3 Markings; Repainting. If Lessor designates a line other than Lessee's line for delivery, Lessee's railroad markings shall be removed from the Car upon arrival on such line and the markings designated by Lessor shall be placed upon the Car at Lessee's expense which expense shall not exceed the AAR standard rate in effect at that time. If the Car is on the Lessee's line, or is subsequently returned to Lessee's line, Lessee shall at its own expense within five (5) working days remove Lessee's markings from the Car and place thereon such markings as may be designated by Lessor.

10.4 Movement; Storage. After the removal and replacement of markings, Lessee shall use its best efforts to load such Car with freight and deliver it to a connecting line for shipment. Lessee shall provide Lessor up to thirty (30) days free storage on its line for each Car commencing on the arrival of such Car on Lessee's line following direction by Lessor to return such Car.

11. Insurance

11.1 Insurance. At its own expense, Lessee shall maintain in full force and effect, throughout the Term and until the Cars are returned as provided in Section 10.1:

(a) insurance for All Risk of physical damage or loss to the Cars (such insurance shall at least cover the Cars while on Lessee's line, be in amounts and with companies satisfactory to Lessor and include Lessor (and any party designated by Lessor) as an Additional Insured as its respective interests may appear); and

(b) public liability insurance (including liability assumed under contract), with respect to the Cars in amounts and with companies satisfactory to Lessor, against any damages resulting from Bodily Injury or death to members of the public, including all employees of Lessee, and for damage to the property of others including the loss of use thereof (Lessor, and any party designated by Lessor, shall be included as an Additional Insured).

11.2 Insurance Certification. Lessee shall provide Lessor appropriate Certificates of Insurance evidencing the foregoing insurance and providing that such insurance is only cancellable as to Lessor's (and any such designated party's) interest upon thirty (30) days' prior written notice to Lessor.

11.3 Lessee Self Insurance. Lessee may, with Lessor's prior written consent, maintain a self insurance program satisfactory to Lessor in lieu of the coverages required.

12. Taxes. Lessor shall pay or cause to be paid (or reimburse Lessee for its payment of) all taxes, assessments and other governmental charges of whatsoever kind or character relating to any Car or on the lease, delivery, or operation thereof which remain unpaid as of the date of delivery of such Car to Lessee or which may be accrued, levied, assessed or imposed during the Term, except taxes on the net income of Lessee and sales or use taxes imposed on Net Car Hire Revenues.

13. Indemnity. Lessor will defend, indemnify and hold Lessee harmless from and against any claim, cause of action, damage, liability, cost or expense which may be asserted against Lessee with respect to the Cars provided, however, Lessor shall not indemnify Lessee or hold Lessee harmless from claims for any consequential damages or loss of profits including such as may result from or be caused by any loss or damage to a Car, or the unavailability of any Car for any reason; and provided, further, in no event shall Lessor be obligated to defend, indemnify, or hold Lessee harmless from:

(a) any loss or damage to any lading or part of any lading carried by any Car;

(b) any loss or damage resulting from Lessee's breach of this Agreement;

(c) any loss or damage to a Car resulting from a failure by Lessee to note damages or necessary repairs or maintenance at the time of interchange of a Car;

(d) any loss or damage of any kind resulting from any negligent act or omission of Lessee; or

(e) any loss or damage of any kind whatsoever, regardless of how caused, occurring upon Lessee's premises or resulting from an occurrence or event involving any Car while on Lessee's premises.

14. Financing; Liens and Encumbrances

14.1 Financing. Lessee's rights hereunder and in the Cars shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Lessor. Lessor covenants and agrees to fulfill all provisions of any financing agreement to prevent any default or event of default thereunder.

14.2 Lessee Liens; Encumbrances. Lessee shall not directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement. Lessee shall promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

15. Default

15.1 Default. The occurrence of any of the following events shall be an Event of Default.

(a) The nonpayment by Lessee or Lessor of any sum required herein to be paid within ten days after the date of any such payment is due.

(b) The breach by Lessor or Lessee of any other term, convenant, or condition of this Agreement or of any other agreement between Lessor and Lessee, or the failure of any representation or warranty of Lessee or Lessor made herein in connection with this Agreement to be true or accurate in every material respect when made, which breach is not cured or misrepresentation corrected within ten days after written notice.

(c) Any act of insolvency by Lessee or Lessor; or the filing by Lessee or Lessor of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(d) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee or Lessor that is not dismissed with sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee or Lessor, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

15.2 Remedies on Event of Default. Upon the occurrence of any Event of Default by one party, the other party may with or without terminating this Agreement proceed by any lawful means to enforce performance of any obligations and/or to recover damages for the breach thereof. Any such termination shall not release (a) Lessee from its obligation to return the Cars; (b) either party from any obligation to pay any sums that may then be due or accrue to such date or which result from said Event of Default; or (c) either party from the obligation to perform any duty or obligation or to pay any damages for the breach thereof.

Upon any Event of Default by Lessee, Lessee shall, at Lessor's option, return the Cars and perform the other obligations set forth in Section 10. Lessor may enter upon any premises of Lessee where the Cars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee. If a Car is not on Lessee's line at the time Lessor directs its return, Lessee hereby appoints Lessor its agent in fact to direct all movements of the Car. Lessee shall also take all action reasonably requested by Lessor to effect the prompt return of any Car to it.

In the event of any action or proceeding brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover (i) reasonable attorney's fees in such action and (ii) such other expenses or costs of such action as it shall have incurred.

The above remedies are cumulative and in addition to any and all remedies either party may have at law or in equity.

16. Representations and Warranties. Lessee and Lessor respectively represent and warrant that at the time of execution of this Car Lease and each Schedule thereto, and the Delivery Date of any Car that:

(a) Lessee and Lessor are corporations validly existing and in good standing under the laws of the respective states where they are incorporated and have the corporate power, authority and are duly qualified and authorized to do business wherever necessary, to carry out their present business and operations and to own or hold under lease their properties and to perform their obligations under this Agreement;

(b) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee or Lessor;

(c) There is no action or proceeding pending or threatened against Lessee or Lessor before any court or administrative agency or other governmental body which might affect the enforceability of this Agreement or result in any material adverse effect on the business, properties and assets, or condition, financial or otherwise, of Lessor or Lessee;

(d) There is no fact or occurrence which a party has not disclosed to the other in writing, nor is such party a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as such party can now reasonably foresee, will individually or in the aggregate materially adversely affect the ability of such party to perform its obligations under this Agreement; and

(e) All data, projections and other information provided by Lessee regarding utilization levels anticipated for the Cars was true and correct to the best knowledge and belief of Lessee when provided and no circumstance or event has occurred which would have a material adverse effect on such utilization levels which has not been disclosed to Lessor in writing.

17. Miscellaneous

17.1 Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Lessee may not without the prior written consent of Lessor assign this Agreement or any of its rights hereunder or sublease the Cars to any party, and any purported assignment or sublease in violation hereof shall be void. Lessor may, without the consent of Lessee, assign this Agreement to any affiliated corporation, or assign a security interest therein to any party, but such assignment shall not reduce or otherwise affect Lessor's liability for the full and timely performance of this Agreement.

17.2 Further Assurances. Both parties shall execute such documents as may be required in furtherance of any financing party's interest in and to the Cars and this Agreement and to confirm the subordination provisions contained in Section 14.1. The parties shall take any and all other action as is reasonable or necessary to effect the transactions set forth in or contemplated by this Agreement.

17.3 No Joint Ventures. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint venture or partnership is being created. Notwithstanding the calculation and payment of the rental, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars, except as a lessee only.

17.4 Waivers. No failure or delay by Lessee or Lessor shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Lessee or Lessor, nor shall any waiver or indulgence by Lessee or Lessor, or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

17.5 Governing Law. To the extent not preempted by federal law, this Agreement shall be governed by and construed according to the laws of the State of California.

17.6 Notices. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the other party at the address set forth at the end of this Car Lease or such other addresses as may be designated in writing from time to time by one party to the other.

17.7 Complete Agreement. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes any previous written or oral agreements in connection therewith. Any change or modification of this Agreement or waiver of any right under this Agreement must be in writing and signed by the parties. To the extent any provision of Section 1 is inconsistent with any later provision of this Agreement, such later provision shall govern.

17.8 Severability. In the event that any terms of this Agreement shall be or becomes or is declared to be illegal by any court or tribunal of competent jurisdiction, such term or terms shall be null and void and shall be deemed deleted from this Agreement, and all the remaining terms of this Agreement shall remain in full force and effect.

17.9 Headings. All section or paragraph headings or titles are for convenience only and shall not be considered part of the text of this Agreement.

In witness whereof, the parties hereto have executed this Agreement as of the day and year first above written.

UNITED STATES RAIL SERVICES, INC.

By _____
its Vice President

Address for Notices:
United States Rail Services, Inc.
633 Battery Street
San Francisco, CA 94111

Attention: Senior Vice President

CHICAGO SHORT LINE RAILWAY CO.

By _____
its President

Address for Notices:
Chicago Short Line Railway Co.
9746 South Avenue N.
Chicago, Illinois 60617

Attention: President

STATE OF California, COUNTY OF San Francisco SS:

On this 29th day of October, in the year 19 80, before me NANCY C. I. CHAPMAN a Notary Public in and for said county, personally appeared DAVID M. MENDELSOHN, known to me to be the SENIOR VICE PRESIDENT (Title) of the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its Board of Directors.

Nancy C. I. Chapman (Notary Public) San Francisco COUNTY, California (State)

(Notarial Seal) My Commission Expires: August 15, 1983

STATE OF California, COUNTY OF San Francisco SS:

On this 29th day of October, in the year 19 80, before me NANCY C. I. CHAPMAN a Notary Public in and for said county, personally appeared E. A. PELOZA, known to me to be the PRESIDENT (Title) of the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its Board of Directors.

Nancy C. I. Chapman (Notary Public) San Francisco COUNTY, Calif. (State)

(Notarial Seal)

My Commission Expires: August 15, 1983