

RECORDATION NO. 13370 Filed 12/21

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INTERSTATE COMMERCE COMMISSION LAW OFFICES
ALVORD AND ALVORD

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ELLSWORTH C. ALVORD (1923)

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* NOT A MEMBER OF D. C. BAR
** ALSO A MEMBER OF OHIO BAR

December 21, 1981

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C.

1-355A133
No. OCT 21 1981
Date
Fee \$ 50.00
ICC Washington, D. C.

Dear Madam:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 and the regulations thereunder, as revised, are the original and two certified copies of a Rail Car Lease and Service Contract dated September 17, 1981 together with Rider attached thereto.

The foregoing is a "Primary Document" as defined in 49 C.F.R. §1116.1(a).

A general description of the railroad equipment covered by the enclosed document is:

Sixty (60) 100-ton 4750 cubic foot covered hopper cars bearing identifying numbers KBSR 500001 through KBSR 500060, both inclusive.

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

Lessor: Richmond Leasing Company
1700 West Loop South
Houston, Texas 77027

Lessee: Hooper - Myron Corporation
Beaverville, Illinois 60912

Kindly refer to the above for the "Short Summary" information required pursuant to the provisions of 49 C.F.R. §1116.3(d) (8).

The undersigned is authorized agent for the Lessor for the purpose of submitting the enclosed document for recordation.

C. T. Kappler
C. Dever

REC'D 207 01/01

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
December 21, 1981
Page Two

Please return the original and one certified copy of the enclosed document not needed for recordation purposes to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, Northwest. Washington, D.C. 20006 or to the bearer hereof.

Also attached is a remittance in the amount of \$50.00 covering the required recordation fee.

Very truly yours,

ALVORD AND ALVORD

By Charles T. Kappler
Charles T. Kappler

Interstate Commerce Commission
Washington, D.C. 20423

12/21/81

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
200 World Center Building
918 Sixteenth St. N.W.
Washington, D.C. 20006

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 **12/21/81** at **2:15pm**, and assigned re-
recording number(s). **13370 & 13371**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 13370 Filed 1425

K 512 511-01-50-060

DEC 21 1981 - 2 15 PM

INTERSTATE COMMERCE COMMISSION

Lease Number L-49
Lessee Number 124

RICHMOND LEASING COMPANY

RAIL CAR LEASE AND SERVICE CONTRACT

THIS AGREEMENT, made this 17th day of September, 1981 by and between RICHMOND LEASING COMPANY, a Delaware corporation, having its principal office at 1700 West Loop South, Houston, Harris County, Texas, hereinafter called "Lessor", and Hooper - Myron Corporation a Illinois corporation, having its principal office at Beaverville, Illinois, hereinafter called "Lessee".

WITNESSETH:

1. *Rental and Service Charges.* Lessor hereby leases to the Lessee, and the Lessee hereby leases and hires from the Lessor and agrees to accept delivery of, upon the terms and conditions set forth herein and in the "riders" attached hereto and made a part hereof (hereinafter referred to as the "Riders", this instrument, together with the Riders, shall be herein referred to as the "Agreement"), the rail cars described in the Riders (hereinafter referred to singularly as the "Car" or collectively as the "Cars"), for the use of which Cars the Lessee agrees to pay the Lessor the rental and service charges for the full term hereof all as set forth in the Riders.

2. *Payment.* Lessee agrees to pay said rental and service charges to Richmond Leasing Company at its principal office located in Houston, Harris County, Texas, as provided in Rider I.

[Handwritten signature]

3. *Inspection of Car.* Each of the Cars shall be subject to Lessee's inspection before loading; and the successful loading of such Car shall constitute acceptance thereof by Lessee, and shall be conclusive evidence (i) of the fit and suitable condition of such Car for the purpose of transporting the commodities then and thereafter loaded therein, and (ii) that it is one of the Cars described in the Riders. In any event, however, monthly rental and service charges shall be paid from the date of delivery at the point of delivery described in the Riders.

4. *Responsibility of Lading.* Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Cars, however such loss or damage shall be caused or shall result. Lessee agrees to assume responsibility for, to indemnify Lessor against, and to save it harmless from, any such loss or damage, or claim therefor.

5. *Damage to Car Resulting from Lading.* In the event any of the Cars, or the fittings or appurtenances thereto, including the interior lining for cars so equipped, shall become damaged by the commodity loaded therein, Lessee agrees to assume the responsibility for such damage.

6. *Alteration and Lettering.* Lessee will preserve the Cars in good condition and will not in any way alter the physical structure of the Cars without the advance approval in writing of Lessor. Lessee shall place no lettering or marking of any kind upon Cars without Lessor's prior written consent, except that, for the purpose of evidencing the operation of the Cars in Lessee's service hereunder, Lessee will be permitted to board and placard or stencil Cars with letters not to exceed two (2") in height.

7. *Limitations on Use.* Lessee will not use the Cars in a "unit train" without advance approval in writing of the Lessor. Lessee agrees not to load any of the Cars in excess of the load limit stenciled thereon.

8. *Maintenance.* Lessor agrees to maintain each of the Cars in good condition and repair according to the Interchange Rules of the Association of American Railroads ("AAR"), and Lessee agrees to

forward the Cars to the shops of Lessor for periodic maintenance repairs as may be directed by Lessor. No repairs to any of the Cars shall be made by Lessee without Lessor's prior written consent, except that Lessee shall, at its expense, replace any removable parts (hatch covers, outlet caps, etc.) if lost or broken. Replacement or repair by Lessee of any parts, equipment, and/or accessories on any of the Cars shall be with parts, equipment, and accessories that are of like kind and of at least equal quality to those being replaced or repaired unless otherwise agreed in writing by Lessor. If any of the Cars shall be completely destroyed, or if the physical condition of any Car shall become such that such Car cannot be operated in railroad service as determined by the parties, then the Lessor shall ~~xxx~~ at its option, cancel this lease as to such Car as of the date on which such event occurred, or ~~xxx~~ substitute another Car of approximately the same type and capacity within a reasonable period of time, and, in the event of such substitution, the substituted Car shall be held pursuant to all the terms and conditions of this Agreement. Should any of the Cars become unavailable for use pursuant to this Agreement for any other reason, Lessor shall have the right to substitute another Car of approximately the same type and capacity within a reasonable period of time; and, in the event of such substitution, the substituted Car shall be held by Lessee pursuant to all the terms and conditions of this Agreement. When Cars are placed in a private car shop for maintenance and/or repair, the rental charges on each Car shall cease five (5) days after the date of arrival in shop and will be reinstated on the date such Car is forwarded from shop and/or the date such Car is ready to leave such shop. If any repairs are required as a result of the misuse by or negligence of Lessee, its consignee, agent, or sublessee, or while on a railroad that does not subscribe to, or fails to meet its responsibility under, the Interchange Rules of the AAR, or while on any private siding or track or any private or industrial railroad, the rental charge shall continue during the rental period, and Lessee agrees to pay Lessor for the cost of such repairs. Lessee agrees that if by reason of such misuse or negligence or while on a railroad that does not subscribe to, or fails to meet its responsibility under, the Interchange Rules of the AAR, or while on any private siding or track or any private or industrial railroad, any Car is completely destroyed or, in the opinion of the Lessor, such Car's physical condition is such that it cannot be operated in railroad service, Lessee will pay Lessor, in cash, the replacement value of such Car within ten (10) days following a request by Lessor for such payment.

9. *Lining.* The application, maintenance, and removal of interior protective lining in Cars so equipped is to be at the expense of the Lessee, including freight charges to and from the lining shop. Rental and service charges shall commence on the date the cars are forwarded or transferred to the lining shop.

10. *Indemnity.* Lessee will indemnify Lessor against any loss, damage, claim, expense (including attorney's fees and expenses of litigation), or injury imposed on, incurred by, or asserted against Lessor arising, directly or indirectly, out of Lessee's or any sub-lessee's use, lease, possession, or operation of the Cars occurring during the term of this lease, or by the contents of such Cars, howsoever occurring, except any loss, liability, claim, damage, or expense which is directly attributable to the fault or neglect of the Lessor, or for which a railroad or railroads have assumed full responsibility and satisfy such responsibility. All indemnities contained in this Agreement shall survive the termination hereof, however same shall occur.

11. *Governmental and Industrial Regulations.* Lessee agrees to comply with all governmental laws, rules, regulations, and requirements, and with the Interchange Rules of the AAR with respect to the use and operation of each of the Cars during the term of this Agreement.

12. *Return of the Cars.* Upon the expiration or termination of this lease as to any of the Cars, Lessee agrees to return each of the Cars in good working order, ordinary wear and tear excepted, free from all charges and liens which may result from any act or default of Lessee, to Lessor at the point of delivery or at a point mutually agreed upon, free from residue and complete with all parts, equipment, and accessories with which the Car was originally equipped or which had been added during the term of the lease, and to give Lessor thirty (30) days advance written notice of such return. Lessee shall, on demand, reimburse Lessor for the cost of cleaning any Cars containing residue ~~on for xxxxxxxxx~~ ~~Cars from the box cars xxxxxxxxx~~, as well as monthly rental and service charges incurred during the cleaning process.

13. *Reports.* Each month Lessee shall give Lessor monthly reports for the immediately preceding month of the complete movements of the Cars, giving dates loaded and shipped, commodity, destination, and full junction routing of each movement. Failure to provide such monthly reports will result in Lessee's forfeiture of the mileage earned by the Cars for the month not reported. Lessee shall, within ten days after notification to Lessee, give Lessor written notice of any injury to either person or commodities which involve the Cars.

14. *Additional Charges by Railroads.* Lessee agrees 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 Lessor by any such railroad, Lessee shall pay Lessor for such charges within the period prescribed by and at rates and under the conditions established by said then prevailing tariffs. Lessee agrees to indemnify Lessor against same and shall be liable for any switching, demurrage, track storage, or detention charge imposed on any of the Cars during the term hereof.

During the term of this Agreement, Lessee agrees that it will use its best efforts to maintain the aggregate mileage under load for all Cars covered by this Agreement equal to or exceeding the aggregate mileage empty for such Cars. Following (i) the end of each calendar year during the term of this Agreement and (ii) the termination or expiration of this Agreement, the Lessor will determine for the calendar year or portion thereof just ended the aggregate loaded mileage and empty mileage of the Cars and advise Lessee of same. In the event that the empty mileage of the Cars should exceed, in the aggregate, their loaded mileage for the calendar year or portion thereof covered by the determination mentioned in the immediately preceding sentence, Lessee shall promptly pay Lessor for such excess according to the rate established by the governing tariff.

15. *AAR Circular OT-5.* Whenever approval of the originating line haul carrier(s) is required in order that Cars may be placed in service pursuant to AAR Circular OT-5 and any revisions or successors thereto, Lessor shall, upon written request of Lessee, use reasonable efforts to aid Lessee in obtaining such approval. In no event shall Lessor be liable if any such approval is not obtained for any reason or is withdrawn or modified, and this Agreement shall continue in full force and effect notwithstanding such withdrawal or modification or the failure to obtain such approval.

16. *Taxes and Liens.* Lessor agrees to pay all property taxes levied upon the Cars and to file all property tax reports relating thereto. Lessee agrees to report and pay, in addition to rent and service charges, all sales, use, leasing, operation, excise, and other taxes with respect to the Cars, together with any penalties, fines, or interest thereon, and all duties, taxes, investment tax credit reductions, and similar charges arising out of use of the Cars outside the United States. Lessee agrees not to encumber or dispose of this lease or of any of the Cars or any part of a Car or permit any encumbrance or lien to be entered or levied upon any of the Cars.

* Except as provided in Rider 1 attached hereto.
17. *Assignment.* Lessee agrees to use the Cars exclusively in Lessee's own service within the boundaries of the continental United States (exclusive of Alaska and Hawaii) and Canada and to make no transfer, or assignment, of this Agreement, except that Lessee shall have the right to sublease any of the Cars, for single trips, to its customers or to its suppliers, and to cause such Cars so subleased to be boarded or placarded with the names of the sublessees in accordance with the provisions of demurrage tariffs lawfully in effect, where the sole purpose of such subleasing is to obtain an exemption from demurrage for said Cars so subleased; provided, however, that notwithstanding any such sublease, Lessee shall continue to remain liable to Lessor under this Agreement; and provided further that Lessor shall have the right to withdraw this privilege of subleasing at any time. In the event any of the Cars are used outside of the area specified in this paragraph for any reason whatsoever, Lessee agrees to bear full responsibility for, to defend, and to reimburse Lessor for any loss or damage suffered by Lessor, or claim against Lessor, and for all costs and expenses, including legal costs and attorney's fees arising in any way from such Car movement.

Subject always to the foregoing, this Agreement inures to the benefit of, and is binding upon, the Lessor, its successors and assigns, and the Lessee, its successors and assigns.

18. *Default.* It is mutually agreed that the time of payment of rental and service charges is of the essence of this Agreement and that if the Lessee shall make default in the payment of rental and service charges on any of the Cars at the time when same become due and payable or shall make default in the performance or observance of any of the other agreements herein contained and by Lessee to be performed or observed, and such default shall continue for ten (10) days or there shall be filed by or against Lessee a petition in bankruptcy or for reorganization under the Bankruptcy Law or there shall be a receiver appointed of any part of Lessee's property or Lessee shall make a general assignment for the benefit of creditors, then and in any of said events, Lessor, at its election, may, upon notice to Lessee of termination, terminate the lease set forth herein and repossess itself of any or all of said Cars, and this Agreement shall thereupon become and be terminated. In the alternative, Lessor may, without notice, repossess itself of said Cars and re-let the same or any part thereof to others for such rent and upon such terms as it may see fit; and if a sufficient sum shall not be thus realized after repaying all expenses of re-taking and re-letting said Cars (including attorney's fees and expenses of litigation) and collecting the rentals thereof to satisfy the rental and service charges herein reserved, the Lessee agrees to satisfy and pay the deficiency accrued from time to time upon demand. The obligation to pay such deficiency as well as the obligation for any and all other payments by Lessee to Lessor called for by this Agreement shall survive any termination of this Agreement or the lease contained herein for whatever reason and/or such re-taking of the Cars. Lessee shall, without expense to Lessor, assist it in repossessing itself of said Cars and shall, for a reasonable time if required, furnish suitable trackage space for the storage of said Cars. The rights and remedies herein given to Lessor shall in no way limit its rights and remedies given or provided by law or in equity.

19. *Reliance on Lease.* Lessor, in consideration of the Lessee's oral representations and agreement to observe and be bound by each and all of the terms and conditions of this Agreement as set forth herein, and the immediate need of Cars by Lessee, may have shipped one or more of the Cars to Lessee prior to the formal execution of this Agreement. If this has occurred, this Agreement, whether or not executed, shall be the agreement between the parties for such Cars and supersedes prior negotiations and correspondence.

20. *Notice.* All notices provided for herein, as well as all correspondence pertaining to this Agreement, shall be considered as properly given if given: (a) in writing and delivered personally or sent by registered or certified mail, or (b) by telex or cable and confirmed thereafter in writing sent by registered or certified mail. The respective addresses for notice shall be the addresses of the parties given at the outset hereof. Such addresses may be changed by either party giving written notice thereof to the other.

21. *Miscellaneous.* Nothing herein contained shall give or convey to Lessee any right, title, or property interests in and to the Cars except as Lessee. LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, WITH RESPECT TO THE CARS, THEIR MERCHANTABILITY, THEIR FITNESS FOR A PARTICULAR PURPOSE. INFRINGEMENT OR OTHERWISE.

It is expressly understood and agreed that this Agreement constitutes a separate Rail Car Lease and Service Contract with respect to the Cars described in each Rider. The termination or extension of any such contract shall not affect any other contract, and a supplement evidencing the same shall be executed, delivered, and acknowledged at the request of either party hereto. At the request of either party hereto, a separate Rail Car Lease and Service Contract with respect to the Cars described in any Rider will be executed, delivered, and acknowledged in substantially the form of this Agreement.

This instrument, together with any and all Riders attached hereto, constitutes the entire agreement between Lessor and Lessee and it shall not be amended, altered, or changed except by written agreement signed by the parties hereto.

All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer, or otherwise dispose of title to the Cars without notice to Lessee. In the event of any such assignment, pledge, mortgage, transfer, or other disposition, this Agreement and all of Lessee's rights under this Agreement and all rights of any person, firm, or corporation who claims or who may hereafter claim any rights under this Agreement under or through Lessee are hereby made subject and subordinate to the terms, covenants, and conditions of any chattel mortgages, security agreements, conditional sale agreements, and/or equipment trust agreements covering the Cars or any of them heretofore or hereafter created and entered into by Lessor, its successor or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee, secured party, or other holder of the legal title to the Cars. At the request of Lessor or any chattel mortgagee, assignee, trustee, secured party, or other holder of the legal title to the Cars, the Cars may be lettered or marked to identify the legal owner of the Cars at no expense to Lessee. If, during the continuance of this Agreement, any such marking shall at any time be removed or become illegible, wholly or in part, Lessee shall immediately cause such marking to be restored or replaced at Lessor's expense.

THIS SUBLEASE IS SUBJECT TO AN ASSIGNMENT OR ASSIGNMENTS AND THE RIGHTS OF THE PARTIES HERETO ARE SUBORDINATE TO THE RIGHTS OF THE ASSIGNEE UNDER A LEASE ON FILE WITH THE INTERSTATE COMMERCE COMMISSION.

All terms used in the Rider shall have the same meaning as used or defined herein except as may be otherwise specifically defined in such Riders. Should any term or condition of any Rider be inconsistent with any term or condition hereof, the term or condition of the Rider shall govern.

This Agreement shall be governed and construed by the laws of the State of Texas.

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

RICHMOND LEASING COMPANY

By

Kenneth W. Harbin
President

"LESSOR"

HOOPER - MYRON CORPORATION

By

Ronald R. Crabb
Title: Sec/Treas.

"LESSEE"

STATE OF TEXAS)
COUNTY OF HARRIS)

) SS:
)

On this 3rd day of December, 1981, before me personally appeared *Kenneth W. Harbin*, to me personally known, who, being by me duly sworn, says that he is a PRESIDENT of RICHMOND LEASING COMPANY that one of the seals affixed to the foregoing instrument is the corporate seal of said 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.

Karen D. Pickett
Notary Public

(Notarial Seal)

KAREN D. PICKETT

My Commission expires Notary Public in and for the State of Texas
My Commission expires June 28, 1985

STATE OF)
COUNTY OF)

) SS:
)

On this 11th day of December, 1981, before me personally appeared *Ronald R. Crabb*, to me personally known, who, being by me duly sworn, says that he is a Secretary/Treasurer of Hooper - Myron Corporation that one of the seals affixed to the foregoing instrument is the corporate seal of said 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.

Rosemary Meyer
Notary Public

(Notarial Seal)

My Commission expires

Lease No. L 49
Lessee No. 124
Rider No. 001

RICHMOND LEASING COMPANY

Rider to Rail Car Lease and Service Contract

This Rider, made the 1st day of September, 1981, is attached to and made a part of that certain Rail Car Lease and Service Contract (the "Agreement") of even date, by and between Richmond Leasing Company ("Lessor"), and Hooper-Myron Corporation ("Lessee"). All words and terms used herein shall have the same meanings as in such Agreement.

I. Designation of Cars.

The Cars which are the subject of the Agreement are described as follows: Sixty covered hopper cars, each containing 4,750 cubic feet, Car Numbers KBSR 500,001 through KBSR 500,060.

II. Term.

The term of the lease as to all Cars shall commence on September 1, 1981, and shall end on August 31, 1993. Lessor shall receive all Interim Income earned by the Cars, as provided in Section IV below. The term for payment of Rental Charges as provided in Section V below (the "Term") as to each Car shall commence on the later of (i) October 15, 1981, or (ii) the date such Car first arrives on the Kankakee, Beaverville & Southern Railroad (the "KB&S"), and shall terminate on August 31, 1993. Notwithstanding the foregoing, the obligations of Lessee hereunder, including the obligation to pay Rental Charges, shall continue in effect with regard to each Car until such Car is returned in clean condition to the possession of Lessor in accordance with Section 12 of the Agreement.

III. Collection of Earnings.

Lessee shall pay or cause to be paid to Lessor all income (including, but not limited to, all hourly and per diem earnings and all mileage earnings) earned by each Car between September 1, 1981 and the commencement of the Term (herein called the "Interim Income"). In addition, Lessee shall pay or cause to be paid to Lessor all hourly and per diem receipts receivable to Lessee for the use of each Car during the Term (the "Per Diem Receipts") and all mileage receipts receivable by Lessee for the use of each Car during the Term (the "Mileage Receipts"). The Per Diem Receipts and the Mileage Receipts are referred to collectively herein as "Receipts." Lessee shall cause all Interim Income and Receipts and all reports and other documents necessary for determining the amount of the Interim Income and Receipts or otherwise relating to the Interim Income and Receipts to be sent by the person or entity from whom such Interim Income, Receipts, reports, or documents are receivable directly to Lessor at the address given for notice to Lessor in the Agreement. Lessee agrees to execute all powers of attorney, agency designations, or other instruments which Lessor requests Lessee to execute in order to enable Lessor to receive such Interim Income, Receipts, reports, or documents directly from such persons or entities. Lessor shall collect all Interim Income and Receipts for its own account,

and all Interim Income and Receipts shall be held by Lessor as its own property. All income and property derived from the Interim Income and Receipts shall be solely the property of Lessor, and Lessee shall not have any right by virtue of this Agreement or any relationships created hereby in or to the Interim Income and Receipts or any income or property derived therefrom. It is not the intention of the parties to create, and this Agreement shall not be construed as creating, a partnership, trust, or any other fiduciary relationship between Lessor and Lessee.

IV. Interim Rental.

As rental for the use of each Car during the period commencing on September 1, 1981 and ending at the commencement of the Term for such Car, Lessor shall receive all Interim Income earned by such Car.

V. Rental Charges.

As rental for the use of the Cars during the Term (the "Rental Charges"), Lessor shall receive the following amounts:

(a) Lessor shall receive eighty percent (80%) of the Hourly Rate for each Car, for each hour of each day during the Term, as if each Car were obtaining 100% utilization. As used herein, the term "Hourly Rate" shall mean, as to each Car, the greater of (i) the then applicable hourly rate for such Car published in The Official Railway Equipment Register issued by National Railway Publication Company (the "Register"), or (ii) the hourly rate for such Car published in the Register that was issued April 10, 1981 and effective April 20, 1981 (attached hereto as Exhibit "A"). Rental Charges under this Subsection (a) shall be due to Lessor on a daily basis, three months in arrears, with the first Rental Charge due on January 15, 1982.

(b) In addition, Lessor shall receive, for each Car for each calendar month during the Term, the product obtained by multiplying (i) eighty percent (80%) of the Mileage Rate for such Car, times (ii) 1,000 car miles, regardless of the actual number of car miles accumulated by such Car for such calendar month. As used herein, the term "Mileage Rate" shall mean, as to each Car for each calendar month, the greater of (i) the highest mileage rate for such Car for such month published in the Register, or (ii) the mileage rate for such Car published in the Register that was issued April 10, 1981 and effective April 20, 1981 (attached hereto as Exhibit "A"). Rental Charges under this Subsection (b) for any Car shall be decreased pro rata for any portion of a calendar month which is not included in the Term for such Car. Rental Charges under this Subsection shall be due to Lessor monthly three months in arrears, with the first Rental Charges due January 31, 1982.

VI. Shortage of Receipts

Reference is made to that certain Rail Car Lease and Service Contract of even date, made by and between Lessor and Kankakee, Beaverville and Southern Railroad Company ("KBSRC"), together with a Rider attached thereto (herein called the "KBSRC Lease"). The KBSRC Lease is expressly incorporated herein and made a part hereof. The "Receipts"

as defined in the KBSRC Lease and the Receipts (as defined herein) are hereinafter collectively referred to as the "Aggregate Receipts." The "Rental Charges" as defined in the KBSRC Lease and the Rental Charges (as defined herein) are hereinafter collectively referred to as the "Aggregate Rental Charges." If at any time the amount of Aggregate Receipts received by Lessor is insufficient to satisfy the collection of Aggregate Rental Charges by Lessor when due, then Lessor and Lessee shall have the following rights:

(a) Lessor shall give Lessee and KBSRC written notice of the amount by which Aggregate Rental Charges then overdue exceed Aggregate Receipts on hand.

(b) Thereafter, during the thirty (30) day period following the giving of such written notice by Lessor, Lessee and KBSRC, acting together, shall have the option to pay Lessor in cash the difference between the Aggregate Receipts and ninety-five percent (95%) of the Aggregate Rental Charges.

(c) If Lessee and KBSRC have not paid Lessor in cash the difference between the Aggregate Receipts and ninety-five percent (95%) of the Aggregate Rental Charges upon the expiration of such thirty (30) day period, then Lessor shall have the right to have Lessee and KBSRC return to the possession of Lessor in accordance with Section 12 of the Agreement and Section 12 of the KBSRC Lease a sufficient number of rail cars to cause the amount of Aggregate Receipts to increase to the amount of Aggregate Rental Charges. It is expressly agreed that Lessor shall in its sole judgement have the right to designate the number and specific identify of Cars which Lessee shall return to Lessor's possession under this Subsection (c), and Lessor shall have the option to terminate the Agreement as to any of such Cars. Lessor and Lessee understand and agree that this Section IV shall apply, and Lessor shall have the right to designate the Cars to be returned to Lessor under this Subsection (c), regardless of the extent to which any shortage in Aggregate Receipts is due to a shortage of Receipts hereunder or a shortage of "Receipts" under the KBSRC Lease.

VII. Overage of Receipts.

At the expiration of three months after the return of the last rail car returned to Lessor in accordance with Section 12 of the Agreement and Section 12 of the KBSRC Lease, Lessor shall pay to Lessee in cash, the amount, if any, by which the amount of Aggregate Receipts held by Lessor at such time exceeds the amount necessary to pay the Aggregate Rental Charges.

VIII. Reports by Lessor.

Within three months after the end of each calendar year, Lessor shall furnish Lessee with a statement showing (i) the amount of Aggregate Receipts collected by Lessor during such calendar year and (ii) the amount of Aggregate Rental Charges collected by Lessor out of the Aggregate Receipts during such calendar year.

IX. Delivery.

Each of the Cars shall be delivered to Lessee at Newell, Illinois or at any other point on the KB&S. The Cars shall be delivered on or before October 15, 1981, or within a reasonable time thereafter. The obligation of Lessor to furnish the Cars shall be subject to all causes reasonably beyond the control of Lessor, including, but not limited to, delays caused by fires, labor difficulties, delays of carriers and materialmen, or governmental authority; and Lessor shall not be liable for any damages by reason of any such delay.

X. Investment Tax Credit.

Lessor agrees, as authorized by Section 48(d) of the Internal Revenue Code, to elect to treat Lessee as having purchased the Cars for the purpose of the credit allowed by Section 38 of the Code. Lessor shall, upon the written request of Lessee, give Lessee the signed statement required by §1.48-4(f) of the Treasury Regulations. Lessor makes no representation or warranty with all or any portion of such credit will be allowed to Lessee by the Internal Revenue Service; and Lessor shall have no liability to Lessee and the obligations of Lessee hereunder will continue if such credit is not allowed to Lessee or if any such credit claimed by Lessee is later disallowed or recaptured.

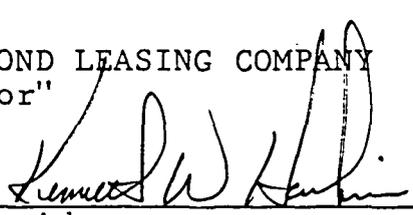
XI. Non-waiver of Default.

Pursuit by either party of any of the remedies provided for herein against the other party shall not preclude pursuit of any of the other remedies provided by law, nor shall pursuit of any remedy herein provided for constitute a forfeiture of waiver of any amount due to the parties hereunder or of any damages accruing to them by reason of the violation of any of the terms herein contained. No waiver by a party of any default or underpayment shall be deemed or construed to constitute a waiver of such default or underpayment or a waiver of any other default or underpayment.

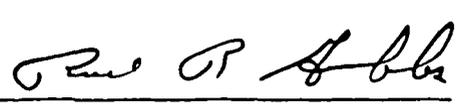
XII. Authorization to Sublease.

Lessor hereby authorizes Lessee to sublet the Cars to the KBSRC pursuant to the terms of the certain Sublease Agreement attached hereto as Exhibit "B"; provided, however, such subletting shall not release Lessee from any of its obligations hereunder. Lessor understands and agrees that KBSRC may perform the obligations of Lessee hereunder and Lessor hereby agrees that Lessee's payment and other obligations hereunder may be discharged directly by KBSRC and Lessor agrees to accept such performance if conforming to the Lessee's obligations hereunder. Notwithstanding this provision, Lessor shall retain investment tax credits associated with this Lease pursuant to Section X. Lessor makes no representation or warranty that all or any portion of such credits will be allowed to Lessee by the Internal Revenue Service; and Lessor shall have no liability to Lessee and the obligations of Lessee hereunder will continue if such credit is not allowed to Lessee or if any such credit claimed by Lessee is later disallowed or recaptured.

RICHMOND LEASING COMPANY
"Lessor"

By: 
President

HOOPER-MYRON CORPORATION
"Lessee"

By: 

ICC copy

13370
RECORDATION NO. FILE 1425

DEC 21 1981 - 2 15 PM

DISTRICT OF COLUMBIA) SS

INTERSTATE COMMERCE COMMISSION

On this 21st day of December, 1981 the under-
signed Notary Public says that she has compared the
attached copy to the original of a Rail Car Lease and
Service Contract dated September 17, 1981 between
Richmond Leasing Company and Hooper - Myron Corpora-
tion together with Rider attached thereto and such
copy is a true and complete copy of the original
document.

Jana S. KabaZnick
Notary Public

(SEAL)

My commission expires: My Commission Expires Dec. 14, 1982