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RECORDATION NO. 18072 FILED 1425

DEC 30 1992-3 15 PM

OF COUNSEL
URBAN A. LESTER

INTERSTATE COMMERCE COMMISSION

December 30, 1992

RECORDATION NO. 18072 FILED 1425
New #
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Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

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INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged copies each of an Equipment Lease Agreement dated as of December 15, 1992 and a Lease Supplement No. 1 dated December 30, 1992, primary and secondary documents as defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

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

Lessor: Norlease, Inc.
50 South LaSalle Street
Chicago, Illinois 60675

Lessee: WCTU Railway Company
111 West Jackson Boulevard
Chicago, Illinois 60604

DEC 30 3 00 PM '92
MOTOR VEHICLE UNIT

A description of the railroad equipment covered by the document is set forth in Schedule 3 to the Lease Supplement No. 1.

Also enclosed is a check in the amount of \$32 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy each of the enclosed documents to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth St., N.W., Washington, DC 20006.

[Handwritten signatures]

Mr. Sidney L. Strickland, Jr.
December 30, 1992
Page Two

A short summary of the enclosed primary and secondary documents to appear in the Commission's Index:

Equipment Lease Agreement dated as of December 15, 1992 between Norlease, Inc., Lessor, and WCTU Railway Company, Lessee; as supplemented by Lease Supplement No. 1 dated December 30, 1992 covering 281 used PACCAR boxcars bearing WCTR marks and numbers.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/30/92

OFFICE OF THE SECRETARY

Charles T. Kappler

Alvord & Alvord

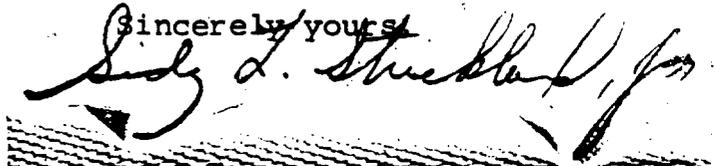
918 16th St N.W.

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 12/30/92 at 3:15pm, and assigned re-
recording number(s). 18072 & 18072-A

Sincerely yours,



Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

SE-30
(7/79)

RECORDATION NO 18072 FILED MCS

DEC 30 1992-8 18 PM

INTERSTATE COMMERCE COMMISSION

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EQUIPMENT LEASE AGREEMENT

Dated as of December 15, 1992

Between

NORLEASE, INC.,
Lessor

and

WCTU RAILWAY COMPANY,
Lessee

=====

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on December __, 1992, at ____ .M., Recordation Number ____, and deposited in the Office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on December __, 1992 at ____ .M.

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EQUIPMENT LEASE AGREEMENT

This EQUIPMENT LEASE AGREEMENT dated as of December 15, 1992 (as supplemented in accordance with the terms hereof, this "Lease"), between NORLEASE, INC., a Delaware corporation, as Lessor, and WCTU RAILWAY COMPANY, an Oregon corporation, as Lessee.

SECTION 1. DEFINITIONS. Unless the context otherwise requires, all capitalized terms used herein without definition shall have the respective meanings set forth in Appendix A hereto for all purposes of this Lease.

SECTION 2. ACCEPTANCE AND LEASING OF EQUIPMENT. Subject to the terms and conditions set forth below, simultaneously with the delivery of a Bill of Sale with respect to each Unit from the Guarantor to the Lessor, Lessor hereby leases to Lessee and Lessee takes and hires from Lessor each such Unit hereunder and all the parts and components thereof, and other personal property described in (a) Lease Supplement No. 1 attached hereto, and (b) any Lease Supplement in substantially similar form hereafter executed and delivered from time to time by the parties hereto. The Lessee hereby agrees that such execution and delivery of such Lease Supplement by the Lessee shall, without further act, irrevocably constitute acceptance by the Lessee of such Unit for all purposes of this Lease. All risk of loss of a Unit will be borne by the Lessee as provided in this Lease upon the acceptance of such Unit hereunder.

SECTION 3. TERM AND RENT.

(a) Term. The basic term of this Lease (the "Basic Term") applicable to such Unit shall commence on the Basic Term Commencement Date and shall expire at 11:59 P.M. (Chicago time) on the Basic Term Expiration Date. Subject and pursuant to Section 17, the Lessee may elect one or more Renewal Terms.

(b) Basic Rent. Lessee agrees to pay Basic Rent for any and every Unit described in a Lease Supplement in the amounts and at the times set forth in such Lease Supplement.

(c) Supplemental Rent. The Lessee also agrees to pay to the Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent, promptly as the same shall become due and owing, or where no due date is specified, promptly after demand by the Person entitled thereto, and in the event of any failure on the part of the Lessee to pay any Supplemental Rent, the Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise as in the case of nonpayment of Basic Rent. In the event any Basic Rent or other payment hereunder shall not be made promptly when due, Lessee shall pay Lessor, as Supplemental Rent hereunder, interest on such overdue payment from the due date of such payment to the date of payment thereof at a rate per annum (the "Late Rate") equal to the lesser of (i) the rate of interest

announced from time to time by the Northern Trust Company as its "prime" rate of interest or (ii) the maximum rate permitted by law.

(d) Manner of Payments. All Rent (other than Supplemental Rent payable to Persons other than the Lessor, which shall be payable to such other Persons in accordance with written instructions furnished to the Lessee by such Persons, unless otherwise provided in any of the Operative Agreements or required by law) shall be paid by the Lessee to the Lessor by wire transfer to the account of Lessor at The Northern Trust Company, 50 South LaSalle Street, Chicago, Illinois 60675, ABA No. 071-000-152, Attention: Norlease, Inc., Account No. 159816, Reference WCTU Lease Financing. All Rent shall be paid by the Lessee in funds consisting of lawful currency of the United States of America, which shall be immediately available to the recipient not later than 11:00 a.m. (Chicago time) on the date of such payment.

SECTION 4. NET LEASE. This Lease is a net lease and the Rent and other amounts due hereunder from Lessee to Lessor are absolute and unconditional and shall not be subject to any defense, claim, reduction, set-off, abatement, recoupment, or adjustment for any reason whatsoever, including, without limitation, (i) any set-off, abatement, counterclaim, suspension, recoupment, reduction, rescission, defense or other right that the Lessee may have against the Lessor, any vendor or manufacturer of any Unit, or any other Person for any reason whatsoever, (ii) any defect in or failure of title, merchantability, condition, design, compliance with specifications, operation or fitness for use of all or any part of any Unit, (iii) any damage to, or removal, abandonment, requisition, taking, condemnation, loss, theft or destruction of all or any part of any Unit or any interference, interruption, restriction, curtailment or cessation in the use or possession of any Unit by the Lessee or any other Person for any reason whatsoever or of whatever duration, (iv) to the maximum extent permitted by law, any insolvency, bankruptcy, reorganization or similar proceeding by or against the Lessee, the Lessor or any other Person, (v) the invalidity, illegality or unenforceability of this Lease, any other Operative Agreement, or any other agreement, document or instrument referred to herein or therein or any other infirmity herein or therein or any lack of right, power or authority or authorization of the Lessee, the Lessor or any other Person to enter into this Lease or any other Operative Agreement or to perform the obligations hereunder or thereunder or consummate the transactions contemplated hereby or thereby or any doctrine of force majeure, impossibility, frustration or failure of consideration, (vi) the breach or failure of any warranty or representation made in this Lease or any other Operative Agreement by the Lessee, the Lessor or any other Person, or (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, any present or future law notwithstanding, it being the intention of the parties hereto that all Rent being payable by the Lessee shall continue to be payable in all events in

the manner and at the times provided herein. To the maximum extent permitted by law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease with respect to any Unit, except in accordance with the express terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except as specifically provided herein, the Lessee nonetheless agrees to pay to the Lessor and to any other Person entitled thereto, amounts equal to each installment of Basic Rent and all Supplemental Rent due and owing at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. The obligations of the Lessee in the immediately preceding sentence shall survive the expiration or termination of this Lease. Each payment of Rent made by the Lessee hereunder shall be final and the Lessee shall not seek or have any right to recover all or any part of such payment from the Lessor or any Person for any reason whatsoever.

SECTION 5. DISCLAIMER OF WARRANTIES. Lessee agrees that it has selected each Unit and the supplier thereof based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor. THE LESSEE ACKNOWLEDGES AND AGREES THAT, (i) EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURER SELECTED BY AND ACCEPTABLE TO THE LESSEE, AND THAT THE LESSEE HAS EXAMINED AND APPROVED ALL SUPPLY CONTRACTS RELATING TO ANY UNIT, (ii) THE LESSEE IS SATISFIED THAT EACH UNIT IS SUITABLE FOR ITS PURPOSES, (iii) THE LESSOR IS NOT A MANUFACTURER OR A DEALER IN PROPERTY OF SUCH KIND, (iv) EACH UNIT IS LEASED HEREUNDER SUBJECT TO ALL APPLICABLE LAWS AND GOVERNMENTAL REGULATIONS NOW IN EFFECT OR HEREAFTER ADOPTED, AND (v) THE LESSOR LEASES AND THE LESSEE TAKES EACH UNIT "AS-IS", "WHERE-IS" AND "WITH ALL FAULTS", IN WHATEVER CONDITION IT MAY BE. THE LESSEE FURTHER ACKNOWLEDGES THAT THE LESSOR DOES NOT MAKE NOR SHALL BE DEEMED TO HAVE MADE, AND THE LESSOR EXPRESSLY DISCLAIMS, ANY AND ALL CLAIMS, WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, DESIGN, OPERATION, MERCHANTABILITY, OR TITLE, OF ANY UNIT OF THE EQUIPMENT, THE QUALITY OF THE MATERIAL THEREIN OR WORKMANSHIP THEREOF OR CONFORMITY THEREOF TO SPECIFICATIONS, FREEDOM FROM PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, THE ABSENCE OF ANY LATENT OR OTHER DEFECT, WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT THERETO. LESSOR SPECIFICALLY DISCLAIMS ANY LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF USE OF THE EQUIPMENT. LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY THAT THE EQUIPMENT IS IN COMPLIANCE WITH ANY APPLICABLE GOVERNMENTAL REQUIREMENTS OR REGULATIONS. Lessee agrees to make the Rent and other payments required hereunder without regard to the condition of the Equipment or any part thereof and to look only to the

manufacturer, vendor, or carrier thereof should the Equipment, when received, be defective in any manner, or should the Equipment or any part thereof at any time for any reason be inoperative or defective. Lessor has no familiarity with the Equipment, and assumes no responsibility for the installation, adjusting or servicing thereof. Lessor agrees, to the extent they are assignable, to assign to Lessee without recourse to Lessor, any manufacturer's or vendor's warranty received by it, provided that such assignment shall terminate upon any Event of Default whereupon Lessor shall be entitled to exercise all such rights exclusively. The Lessor shall have no responsibility or liability to the Lessee or any other Person with respect to any of the following: (w) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Unit or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (x) the use, operation or performance by any Unit or any risks relating thereto; (y) any interruption of service, loss of business or anticipated profits or consequential damages; or (z) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit. The Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the matters set forth in this Section 5.

SECTION 6. ACCEPTANCE; INSPECTION. Prior to Basic Term Commencement Lessee shall cause an inspector (who may be an employee of Lessee) designated and authorized by Lessee to inspect the Equipment. Lessee's subsequent execution and delivery of a Lease Supplement with respect to the Equipment shall conclusively establish that, as between Lessor and Lessee, the Equipment is acceptable to and accepted by Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition, or in any other respect and that the equipment is in good order and condition and conforms to the specifications for its type of Equipment and to all applicable United States federal (including DOT and ICC) and state and Canadian federal and provincial requirements and specifications, if any, and to all standards recommended by the Association of American Railroads ("AAR") applicable to railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Lease Supplement, Lessee represents that it has no knowledge of any such defect.

SECTION 7. TITLE; IDENTIFICATION; PERSONAL PROPERTY.

(a) Title. No right, title, or interest in the Equipment shall pass to Lessee other than, conditioned upon Lessee's compliance with and fulfillment of all the terms and conditions of this Lease, the right to retain possession of and use the Equipment for the full lease term. Lessee agrees not to sell, assign, pledge, hypothecate or otherwise encumber or suffer to exist a Lien upon or against any interest in this Lease or the Equipment, other than Permitted Liens, without Lessor's express prior written

consent. The Lessee shall promptly, at its own expense, take such action or cause such action to be taken as may be necessary to duly discharge (by bonding or otherwise) any such Lien, other than Permitted Liens, and shall give the Lessor prompt written notice thereof, if the same shall arise at any time.

(b) Identification. Lessee will cause each Unit of Equipment to be kept marked with the reporting mark and car number as described in the applicable Lease Supplement and will keep and maintain, plainly, distinctly, permanently and conspicuously marked, plate or stencil printed in contrasting color upon each side of each Unit in letters not less than one inch in height as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION"

or other appropriate words designated by Lessor from time to time and with appropriate changes thereof and additions thereto as from time to time may be required by or appropriate under Applicable Law in order to protect the ownership and security interest of Lessor in the Equipment and its rights with respect thereto. Lessee shall not place any Unit in operation or exercise any control or dominion over any Unit Equipment unless and until such marking have been made thereon and will replace promptly any such markings which may be removed, defaced or destroyed. Lessee will cause the Equipment consisting of rail cars to be kept numbered with the respective serial, running and other identifying numbers set forth in the applicable Lease Supplement (and Lessee agrees to place such numbers on each Lease Supplement), and shall not change or authorize to be changed the reporting mark or any of such numbers without the written consent of the Lessor (which consent shall not be unreasonably withheld). Lessee shall not place any Unit in service or exercise any control or dominion over any Unit unless and until this Lease and any applicable Lease Supplement (as to any particular Unit) thereof have been filed and recorded with the ICC and copies of such filings and recordations have been furnished to Lessor. If Lessee fails to take any action specified in the immediately preceding sentence, Lessee authorizes Lessor to execute such amendments, filings and other documents and to record the same with the ICC and other public bodies as Lessor deems appropriate. Except as provided herein, Lessee will not allow the name of any Person to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by Lessee or permitted sublessees or their respective Affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of Lessee to use the Equipment under this Lease.

(c) Personal Property. Lessor and Lessee hereby confirm their intent that the Equipment shall always remain and be deemed personal property and Lessee shall not allow any portion of the Equipment to become attached or affixed to realty. Lessee shall, at its own cost and expense, protect and defend Lessor's title to the Equipment and agrees to take any such action at Lessee's expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty.

SECTION 8. COMPLIANCE WITH LAWS; TAXES AND FEES. Lessee shall comply with all Applicable Laws relating to the Equipment, and shall promptly pay when due all license fees, assessments, registration fees, and sales, use, property, excise, and other taxes now or hereafter imposed by any government body or agency upon the Equipment or the use, ownership, leasing, sale or possession thereof or the Rent payable hereunder (excluding, however, any taxes on or measured solely by Lessor's net income), and shall, upon request of Lessor, provide evidence of such payment to Lessor.

SECTION 9. MAINTENANCE AND REPAIR. Lessee, at its sole cost and expense, shall maintain, repair and keep each Unit, and shall operate each Unit, (i) in the same good operating order, condition and repair as when originally accepted by the Lessee hereunder, ordinary wear and tear excepted; provided, that from and after completion of refurbishment and conversion of any Unit pursuant to the Refurbishment Agreement, such Unit shall be maintained in such good operating order, condition and repair as when redelivered following such refurbishment, ordinary wear and tear excepted; (ii) at a level of maintenance which is, at a minimum, comparable to maintenance practices used by the Lessee in respect of equipment owned or leased by the Lessee similar in type to such Unit and (iii) in accordance with prudent industry practice, manufacturer's recommended maintenance procedures, and insurance policies required to be maintained pursuant to Section 15 hereof, and (iv) in compliance in all material respects with all Applicable Laws, rules and regulations (for equipment being utilized "in service"), including the rules and regulations of the DOT, the ICC and the Federal Railroad Administration and the Interchange Rules; (v) in a manner suitable for service on a railroad for "Class A" merchandise service (as defined in applicable federal regulations), and Lessee shall furnish all labor, parts, mechanisms, devices and supplies required therefor. Without limiting the foregoing, the Lessee shall at its expense repair the Equipment if any of the Equipment is damaged due to carrying of corrosive or abrasive materials, spilling of damaging materials, or the carrying of any material or performance of any act which damages any Equipment or portion thereof. All such parts, mechanisms and devices shall immediately become the property of the Lessor and part of the Equipment for all purposes hereof. In no event shall the Lessee treat the Equipment in a manner less favorable, as to the use or

maintenance of any Unit (including the periodicity of maintenance or record keeping in respect of such Unit), than equipment of a similar nature which the Lessee owns or leases. Lessor shall not be responsible for any repairs or service to the Equipment or defects in the Equipment or its operation.

SECTION 10. RECORDS; INSPECTION. The Lessee will maintain all records, logs and other materials required by relevant industry standards and by any Governmental Authority having jurisdiction over the Units, all as if the Lessee were the owner of such Units, regardless of whether any such requirements, by their terms, are nominally imposed on the Lessee or the Lessor. Without limitation of the foregoing, Lessee agrees to maintain accurate and complete records of all repairs and maintenance to the Equipment in accordance with Lessee's customary practices. The Lessee shall allow Lessor to inspect all such records, logs and other materials and, at Lessor's sole risk, any of the Equipment (and, in the case of a sublease of all or any portion of the Units, Lessee shall use its reasonable best efforts to cause each sublessee to allow Lessor to inspect the Equipment and all such records, logs and other materials as are maintained by such sublessee); provided, that so long as no Event of Default shall have occurred and be continuing, such inspections shall be conducted during business hours of Lessee or the applicable sublessee and shall be subject to Lessee's or the applicable sublessee's standard security and safety rules and procedures and shall not interfere with the use, operation or maintenance of the Equipment.

SECTION 11. USE OF EQUIPMENT. The Equipment shall at all times be used solely for commercial or business purposes, and be operated in compliance with all Applicable Laws and other requirements of any insurer or Governmental Authority, including without limitation, the Interchange Rules and all rules and regulations of the DOT, the Federal Railroad Administration and the ICC and in accordance with all applicable manufacturer's manuals or instructions and in accordance with requirements pursuant to any warranties and insurance policies covering the Equipment by competent and duly qualified personnel only. The Equipment may be used by the Lessee or any sublessee under a Permitted Sublease within the Continental limits of the United States of America, or temporarily or incidentally in Canada or Mexico, only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. At no time during the Lease Term shall more than 10% of the Units be used or located in Mexico at the same time. In no event shall the Lessee or any other Person make use of any Equipment in any jurisdiction not included in the insurance coverage required by Section 15 or in places or locations with respect to which the Lessee has not made the filings and recordations and taken any other actions required by Section 21.

SECTION 12. SUBLEASE AND POSSESSION. So long as no Event of Default has occurred and is continuing, the Lessee without the

consent of the Lessor, shall be entitled to enter into subleases complying with the requirements of this Section 12 (each a "Permitted Sublease") of the Equipment pursuant to which it subleases the Equipment to responsible companies for use in their business; provided that, except with the Lessor's prior written consent, on the effective date of any such sublease, such sublessee is not subject to any bankruptcy, insolvency or similar proceedings. All subleases, including, without limitation, any entered into on or prior to the Basic Term Commencement Date, and the rights and interests of any sublessee thereunder, shall in all events be subject and subordinate to this Lease and the rights and interests of the Lessor and its respective successors and assigns hereunder and shall confirm such subordination by a provision therein satisfactory to the Lessor, and shall not result, and shall not include, any term or provision which could reasonably be expected to result, in any unindemnified adverse consequences to the Lessor. In addition, (i) each such sublease shall by its terms prohibit, without the prior written consent of the Lessor, further subleasing to Persons other than to (A) the sublessee's Affiliates or (B) the sublessee's consignees or suppliers in connection with the handling of commodities sold, bought or supplied for the account of the sublessee and transported therein, (ii) each such sublease shall extend for a period which does not exceed the remainder of the Basic Term unless the Lessee shall have given notice pursuant to Section 17 of its election to renew this Lease with respect to any Units, in which event no such sublease entered into after the delivery of such notice shall extend for a period which exceeds the elected Renewal Term, (iii) any sublease for which the Lessee is not required to provide car maintenance services shall impose upon the sublessee thereof obligations in respect of possession, maintenance, repair, use, operation, insurance, removal of Liens, redelivery and remedies which are substantially similar to the corresponding obligations of the Lessee hereunder and (iv) no such sublease shall contain provisions that would conflict with the terms of this Lease. No sublease entered into by the Lessee shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety, nor shall any sublease constitute a discharge of any of the Lessee's obligations hereunder or a waiver of any of the Lessor's rights or remedies hereunder. Nothing in this Section 12 shall be deemed to constitute permission to any Person in possession of any Unit pursuant to any such sublease to take any action inconsistent with the terms and provisions of this Lease or any of the other Operative Agreements. The rights of any Person that acquires possession of any Unit shall be subject and subordinate to this Lease and the rights of the Lessor hereunder.

SECTION 13. ALTERATIONS AND MODIFICATIONS.

(a) Lessee shall, in accordance with the terms of the Refurbishment Agreement and the Escrow Agreement, cause to be made

the refurbishment and conversion of each Unit as and when the same shall be required in such agreements. Title to each alteration, replacement, improvement or modification made pursuant to the Refurbishment Agreement shall immediately vest in the Lessor, subject to the payment provisions therefor set forth in the Escrow Agreement.

(b) Lessee shall, at its sole cost and expense, promptly make or cause to be made each alteration, replacement, improvement or modification (a "Required Modification") to any Unit required by Applicable Law or by any other requirement of the Association of American Railroads, the DOT, or any other United States or Canadian federal or local Governmental Authority. Title to any Required Modification shall immediately vest in the Lessor.

(c) The Lessee at any time may modify, alter or improve any Unit (an "Optional Modification"); provided that no Optional Modification shall (i) diminish the fair market value, residual value, utility, or remaining economic useful life of such Unit below the fair market value, residual value, utility, or remaining economic useful life thereof immediately prior to such Optional Modification, assuming such Unit was then in at least the condition required to be maintained by the terms of this Lease or (ii) cause such Unit to become Limited Use Property. Title to any Non-Severable Modification shall be immediately vested in the Lessor. Title to any Severable Modification which is not a Required Modification shall remain with the Lessee. During the Lease Term, the Lessee may remove and may replace any Severable Modification which is not a Required Modification, provided the Lessee is otherwise in compliance with this Lease; provided further, that at the end of the Lease Term with respect to any Unit (i) the Lessee shall not remove any Severable Optional Modification prior to the return of such Unit hereunder unless and until (A) not less than 180 days prior to the expiration or termination of the Lease Term with respect to such Unit, the Lessee shall give written notice to the Lessor pursuant to which the Lessee shall offer to sell to the Lessor such Severable Optional Modification at the end of the Lease Term for its then Fair Market Value (which offer shall include a reasonably detailed description of such Severable Optional Modification) and (B) the Lessor shall have rejected the Lessee's offer (provided that the Lessee's offer to sell any such Severable Optional Modification shall be deemed rejected in the event that the Lessor fails to respond to any such offer within ninety (90) days of any written notice thereof). If the Lessor does not elect to purchase such Severable Optional Modifications in accordance with the terms of this Section 13(c), the Lessee may remove, and shall remove if requested by the Lessor, such Severable Optional Modifications at the Lessee's cost and expense. Any Severable Optional Modification not so removed shall become the property of Lessor.

SECTION 14. LOSS; DAMAGE.

(a) Except as otherwise provided in Section 1.06 of the Asset Purchase Agreement with respect to certain Casualty Occurrences prior to the Closing Date, in the event that any Unit leased hereunder shall, on or before the Closing Date or at any time during the Lease Term, (i) suffer damage or destruction resulting in an insurance settlement on the basis of an actual, constructive or compromised total loss; (ii) suffer loss of use for 60 days (or, if shorter, the end of the Basic Term or any Renewal Term then in effect) due to destruction or damage beyond repair; (iii) suffer damage or contamination which, in the Lessee's reasonable judgement (as evidenced by an Officer's Certificate to such effect), makes repair uneconomic or renders such Unit unfit for commercial use; (iv) suffer theft or disappearance for a period in excess of 180 days (or, if shorter, the end of the Basic Term or any Renewal Term then in effect); (v) have title thereto taken or appropriated by any Governmental Authority under the power of eminent domain or otherwise; or (vi) be taken or requisitioned for use by any Governmental Authority or any agency or instrumentality thereof under the power of eminent domain or otherwise, and such taking or requisition is for a period that exceeds (x) 180 days (or, if shorter, the end of the Basic Term or any Renewal Term then in effect) in the case such taking or requisition is by a Governmental Authority other than the government of the United States or (y) the remaining Basic Term or any Renewal Term then in effect in the case such taking or requisition is by the government of the United States (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall inform the Lessor of such Casualty Occurrence in writing promptly after obtaining knowledge thereof.

(b) On the Rent Payment Date immediately following written notice by the Lessee to the Lessor of a Casualty Occurrence with respect to any Unit, the Lessee shall pay to Lessor an amount equal to the "Casualty Value" of such Unit as determined in the manner set forth in the Lease Supplement. Upon such payment together with payment of all other sums owing on said Lease to and including such Rent Payment Date, Lessor will transfer title to the affected Unit to Lessee "AS IS," WHERE IS," and without recourse to Lessor or warranty, express or implied, except as to the absence of Lessor's Liens. Lessee assumes and shall bear the risk of loss and damage to the Equipment from every cause whatsoever, whether or not insured, including without limitation the risk of a Casualty Occurrence, and, except as otherwise provided in Section 1.06 of the Asset Purchase Agreement with respect to certain Casualty Occurrences prior to the Closing Date, no Casualty Occurrence shall impair any obligation of Lessee under this Lease which shall continue in full force and effect.

SECTION 15. INSURANCE.

(a) Lessee shall obtain and maintain physical damage and liability insurance on the Equipment and in connection with the operation of the Equipment, at its own expense, in such amounts,

against such risks, in such form and with such insurers as shall be reasonably satisfactory to Lessor; provided that such amounts shall not be less than the amounts certified to Lessor on the Closing Date. Each insurance policy will name Lessee as an insured and Lessor as loss payee and additional insured and shall contain a clause requiring the insurer to give Lessor at least thirty days' prior written notice of any alteration in the terms of such policy or of the cancellation thereof. At Lessor's option, Lessee shall furnish to Lessor a certificate of insurance of the carrier or insurance broker satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty either to ascertain the existence of or to examine such insurance or to advise Lessee in the event such insurance shall not comply with the requirements hereof.

(b) In the event that the Lessee shall fail to maintain insurance as herein provided, the Lessor may at its option, upon written notice to the Lessee, provide such insurance and, in such event, the Lessee shall, upon demand from time to time, reimburse the Lessor for the cost thereof together with interest from the date of payment thereof at the Late Rate, on the amount of the cost to the Lessor of such insurance which the Lessee shall have failed to maintain. If after the Lessor has provided such insurance, the Lessee then obtains the coverage provided for in Section 15(a) which was replaced by the insurance provided by the Lessor and the Lessee provides the Lessor with evidence of such coverage satisfactory to the Lessor, upon the Lessee's written request to the Lessor, the Lessor shall cancel the insurance it has provided pursuant to the first sentence of this Section 15(b) and forward to the Lessee any amounts rebated thereby. In such event, the Lessee shall reimburse the Lessor for all costs to the Lessor of cancellation, including, without limitation, any short rate penalty, together with interest from the date of the Lessor's payment thereof at the Late Rate. In addition, at any time the Lessor or the Escrow Agent may at its own expense carry insurance with respect to its interest in the Units; provided that such insurance does not interfere with the Lessee's ability to insure the Equipment as required by this Section 15 or adversely affect such required insurance or the cost thereof, it being understood that all salvage rights to each Unit shall remain with the Lessee's insurers at all times. Any insurance payments received from policies maintained by the Lessor or the Escrow Agent pursuant to the immediately preceding sentence shall be retained by the Lessor or the Escrow Agent, as the case may be, without reducing or otherwise affecting the Lessee's obligations hereunder.

SECTION 16. PURCHASE OPTION. So long as no Default or Event of Default shall have occurred and be continuing hereunder, Lessee, by giving Lessor not more than 365 nor less than 90 days' written notice prior to the expiration date of the Lease Term or any Renewal Term, may elect to purchase all, but not less than all, of the Units then leased hereunder pursuant to the same Lease

Supplement at the then Fair Market Value thereof, plus any applicable sales tax with respect thereto. If Lessee elects to exercise said purchase option, the same shall be exercised with respect to each item of Equipment on the day immediately following the date of expiration of the Lease Term set forth in any respective Lease Supplement(s), and by the delivery at such time by Lessee to Lessor of payment, in cash or by certified check, of the amount of the purchase price for the Equipment as hereinbefore set forth. Upon payment of such amount, Lessor shall, upon request of Lessee, execute and deliver to Lessee a Bill of Sale for the Equipment, on an "AS IS," "WHERE IS," "WITH ALL FAULTS" basis, without representation or warranties of any kind whatsoever, except as to the absence of Lessor's Liens. If Lessee does not elect to exercise said purchase option and does not elect to exercise the Renewal Option described in Section 17 hereof, Lessee shall return each Unit to Lessor, pursuant to and under the terms and conditions of Section 19 hereof, upon the expiration date of the Lease Term of the respective Lease Supplement therefor.

SECTION 17. RENEWAL OF LEASE TERM. So long as no Default or Event of Default shall have occurred and be continuing hereunder, Lessee, by giving Lessor not more than 365 nor less than 90 days' written notice prior to the Basic Term Expiration Date or the expiration date of the Renewal Term then existing, as the case may be, may elect to renew the Lease Term as to all, but not less than all, of the Units then leased hereunder pursuant to the same Lease Supplement, each for a period of not less than twelve months commencing on the Basic Term Expiration Date or the expiration date of the Renewal Term then existing, as the case may be. The Basic Rent for the Units leased during each Renewal Term shall be the Fair Rental Value thereof, payable monthly in arrears. All of the provisions of this Lease shall be applicable during any Renewal Term for such Units, except as specified in the next sentence. During any Fair Renewal Term, the Casualty Value of any Unit shall be determined on the basis of the Fair Market Value of such Unit as of the first day of such Renewal Term; provided that such Casualty Value as of the first day of such Renewal Term shall not be less than the Casualty Value in effect on the last day of the Basic Term or the preceding Renewal Term, as the case may be; provided further that such Casualty Value shall be reduced on a straight-line basis to the Fair Market Value of such Unit as of the last day of such Renewal Term; provided finally that such Casualty Value shall in no event be less than 20% of the Equipment Cost of such Unit. Upon the written request of the Lessee delivered not earlier than 360 days prior to the commencement of any proposed Renewal Term, the Lessor will furnish the Lessee with a non-binding estimate of the Casualty Value applicable during such proposed Renewal Term.

SECTION 18. DETERMINATION OF FAIR MARKET VALUE AND FAIR RENTAL VALUE. In the event that there should be a dispute as to the Fair Market Value or Fair Rental Value of any Equipment, Lessee shall, upon Lessor's written request, and at Lessee's sole cost and

expense, forthwith obtain an independent appraiser acceptable to Lessor to make an appraisal. Notwithstanding any other provision of this Lease, such appraiser's appraisal shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or purchaser (other than a lessee or purchaser currently in possession), as the case may be, and an informed and willing lessor or seller, respectively, under no compulsion to lease or sell. In such determination, costs of transportation to a Return Location shall not be deducted from such value. The report of the appraiser setting forth its determination of Fair Market Value or Fair Rental Value, as the case may be, shall be delivered to Lessor and Lessee not later than thirty (30) days following the date of Lessor's said written request to Lessee and shall be conclusive and binding upon Lessor and Lessee. If Lessor and Lessee cannot agree upon the choice of an appraiser, a panel of three (3) appraisers shall be chosen, one of whom shall be selected by Lessor, the second by Lessee and the third designated by the first two so selected, and the determination of a majority of said appraisers shall be conclusive and binding.

SECTION 19. RETURN OF EQUIPMENT. (a) Unless either the Purchase or Renewal Option set forth hereinabove is exercised, and without limiting Lessor's remedies set forth in Section 22 hereinbelow, upon the earlier of (i) the expiration date of the first Lease Supplement expiring under the Lease or (ii) the termination of any Lease Supplement for any reason whatsoever, whether by passage of time or otherwise, Lessee shall surrender and return possession of all, but not less than all, of the Units then leased hereunder pursuant to the same Lease Supplement in accordance with the terms of this Section 19. The Lessee will, at its own cost and expense, deliver possession of each such Unit to the Lessor at up to five storage track locations ("Return Locations") at such sites and in such numbers as the Lessee and the Lessor may reasonably agree. The Lessee shall give the Lessor (i) prompt written notice of its direction to any user or operator of any Unit leased hereunder to forward such Unit to a Return Location in accordance with this Section 19(a) and (ii) prompt written notice of the arrival of such Unit at such location. Upon the request of the Lessor, maintenance logs with respect to any Unit shall be made available to the Lessor or its designee upon the return of such Unit as and to the extent provided in Section 10.

(b) Each Unit so surrendered and returned shall be: (i) in the same good operating order, condition and repair as when originally delivered under this Lease, as improved pursuant to the Refurbishment Agreement, with doors and cushioning units in good operating condition, ordinary wear and tear excepted, and in compliance with the other standards set forth in Section 9, (ii) empty, clean and suitable for loading consistent with industry practice, (iii) free and clear of all Liens other than Lessor's Liens, (iv) free of all customer or Lessee advertisements or

similar corporate markings other than reporting marks, and (v) eligible for unrestricted interchange (whether operated by the Lessee or the Lessor, but subject to applicable requirements with respect to reporting marks and similar requirements) under the Interchange Rules (each Unit complying with the foregoing requirements being hereinafter referred to as a "Redelivered Unit." Upon reasonable notice to the Lessee, the Lessor or its designee shall have the right to inspect and, at its own expense, make copies of all logs, records, books and other materials relating to the maintenance of such Unit as are reasonably available upon the return of such Unit. The Lessor or its representatives shall have the right to inspect any Unit that is returned pursuant to Section 19(a) to ensure that such Unit is in compliance with the conditions set forth in this Section 19(b) and Section 9, at the Lessor's sole cost, expense and risk (including, without limitation, the risk of personal injury or death), by its authorized representatives, during the Lessee's and the applicable Return Location's normal business hours, subject to the Lessee's and the Return Location's standard security and safety rules and procedures, and upon reasonable prior notice to the Lessee; provided, however, that the Lessee shall, during the Storage Period, be liable for any injury to, or the death of, any Person exercising, on behalf of the Lessor, the rights of inspection granted under this Section 19(b) if caused by the Lessee's negligence or wilful misconduct. No inspection pursuant to this Section 19(b) shall unreasonably interfere with the normal conduct of the Lessee's or related designated location's business, and the Lessee shall not be required to undertake or incur any additional liabilities in connection therewith. Notwithstanding any return of a Unit to the Lessor, the Lessee's obligations to comply with the conditions set forth in this Section 19(b) with respect to each such Unit shall continue until discharged. In the event that following an inspection of the Redelivered Units by the Lessor or its representative, the Lessor deems any Redelivered Unit to be not in the condition required by this Section 19(b), the Lessee shall, subject to the last sentence of this Section 19(b), (i) cause such Redelivered Units to be put in the condition required by this Section 19(b) and (ii) pay to the Lessor additional Holdover Rent, determined in accordance with Section 19(c), for such Redelivered Unit from the date on which Holdover Rent shall otherwise have ceased to accrue pursuant to the provisions of Section 19(c) to the date on which such Unit is put in the condition required by this Section 19(b).

(c) (1) Provided no Event of Default shall have occurred and be continuing, all amounts earned in respect of a Unit subsequent to the expiration of the Lease Term with respect to such Unit and prior to the return of the Unit hereunder shall belong to the Lessee and, if received by the Lessor, shall be promptly turned over to the Lessee. All expense incurred during such period shall be for the account of, and shall be paid by, the Lessee.

(2) The Lessee shall pay Holdover Rent (hereinafter defined) for each Unit for each day from the date of expiration or termination of this Lease with respect to such Unit to the date on which such Unit shall have been returned to Lessor in accordance with, and in full compliance with, the provisions of Section 19(a) and Section 19(b) hereof.

(3) "Holdover Rent" for any Unit shall be equal to 50% of the daily equivalent of the average Basic Rent for such Unit during the Basic Term (or, if applicable, the immediately preceding Renewal Term).

(4) Holdover Rent shall be paid monthly in arrears, by payment from the Lessee to the Lessor, in immediately available funds, on or before the fifth day following the end of each calendar month, such payment to be accompanied by a statement setting forth in reasonable detail the calculation of such payment on a per Unit basis.

(5) In the event that despite the Lessee's reasonable best efforts any Unit shall not have been returned to the Lessor in accordance with this Section 19 by the sixtieth (60th) day following the expiration or termination of the Lease Term with respect to such Unit, the Lessee, within five Business Days after demand therefor by the Lessor, shall pay to the Lessor (A) the greater of the applicable Casualty Value for such Unit determined as of the last Rent Payment Date for such Unit or the Fair Market Value thereof (assuming such Unit was maintained in accordance with Section 9) as of such last Rent Payment Date, plus (B) the amount of Holdover Rent payable in accordance with this Section 19(c) up to and including the date of payment of such Casualty Value or Fair Market Value, as applicable, and the Lessor shall thereupon transfer to the Lessee all of the Lessor's right, title and interest in any such Unit on an "as-is", "where-is" basis without representation or warranty, express or implied, except as to the absence of Lessor's Liens, and upon such payment Holdover Rent with respect to such Unit shall cease to accrue.

(6) The provision for payment pursuant to this Section 19(c) shall not be in abrogation of the Lessor's right under Section 19(a) to have such Unit returned to it hereunder.

(d) Upon the occurrence of an Event of Default, and whether or not Lessor exercises its rights under Section 22 hereof to terminate this Lease or otherwise, Lessee shall forthwith surrender and return possession of all Equipment leased hereunder to Lessor in the manner and upon the terms specified in this Section 19, unless and to the extent Lessor may otherwise direct in writing. Notwithstanding and in addition to any of the foregoing in this Section 19, Lessee shall pay to Lessor any and all amounts attributable to the diminution in value due to damage to the Equipment (ordinary wear and tear excepted).

(e) During the period beginning on the date of expiration or termination of this Lease and ending on the date which is 60 days from the date on which at least 50% of the Units then leased hereunder shall have been redelivered in accordance with this Section 19) (the "Storage Period"), the Lessee shall provide storage for Redelivered Units at one or more of the Return Locations described in Section 19(a), in all cases, at the sole risk and expense of the Lessee, and the Lessee shall maintain the insurance required by Section 15 with respect to all Redelivered Units. The Lessee will, at the risk and expense of the Lessor, on or prior to the end of the Storage Period for each Redelivered Unit and upon twenty (20) days' written notice from the Lessor, transport each Redelivered Unit one time from such Return Location to the nearest interchange point where a Class I railroad will accept delivery of a Redelivered Unit. During the Storage Period, all Redelivered Units stored at each Return Location shall be placed and maintained in reasonably close proximity. During the Storage Period, the Lessee will permit the Lessor or any Person designated by it, including the authorized representative or representatives of any prospective purchaser or user of such Redelivered Unit, to inspect the same during the applicable Return Location's normal business hours, subject to the Lessee's and the Return Location's standard security and safety rules and regulations, and upon reasonable prior notice to the Lessee; provided that such inspection shall not unreasonably interfere with the normal conduct of the applicable Return Location's business and such Person shall be insured to the reasonable satisfaction of the Lessee with respect to any risks incurred in connection with any such inspections; and the Lessee (except in the case of the Lessee's negligence or wilful misconduct) shall not be liable for any injury to, or the death of, any Person exercising, either on behalf of the Lessor or any prospective purchaser or user, the rights of inspection granted pursuant hereto. The Lessee shall cooperate in all reasonable respects with any efforts by the Lessor to obtain a purchaser or user of any of the Redelivered Units; provided that, except as the Lessor and the Lessee may otherwise agree in writing, (i) the Lessee shall not be obligated in any way to secure such a purchaser or user, (ii) the Lessee shall not be required to store the Equipment after the Storage Period and (iii) all reasonable expenses incurred by the Lessee in complying with such undertaking (other than those expenses required to be paid by the Lessee pursuant to this Lease) shall be reimbursed promptly by the Lessor. If the Lessee stores any Redelivered Unit after the Storage Period, such storage shall be at the sole risk of the Lessor and the Lessor shall pay the actual costs of such storage incurred by the Lessee.

SECTION 20. LESSOR'S PAYMENT; INTEREST. In case of failure of Lessee to procure or maintain insurance or to pay fees, assessments, charges and taxes, all as hereinbefore specified, Lessor shall have the right, but shall not be obligated, to effect such insurance or pay said fees, assessments, charges and taxes, as

the case may be. In that event, the cost thereof shall, at Lessor's option, become immediately due from Lessee to Lessor with interest until paid at the Late Rate.

SECTION 21. FURTHER ASSURANCES. (a) Lessee will promptly execute and deliver to Lessor, at Lessee's expense, such further documents and take such further action as Lessor may request in order more effectively to carry out the intent and purpose hereof including, without limitation, (i) the filing of this Lease and amendments and/or supplements thereto (or a financing statement or similar notice thereof if and to the extent permitted or required by applicable law) and (ii) the taking of such further action as Lessor may deem desirable to fully protect Lessor's interest hereunder in accordance with the Interstate Commerce Commission or other applicable legal body. Lessee hereby authorizes Lessor to effect any such filing as aforesaid and, at the option of Lessor, Lessor's costs and expenses with respect thereto shall constitute additional rent, payable on demand.

(b) The Lessee will pay all costs, charges and expenses (including reasonable attorneys' fees) incident to any such filing, refiling, recording and rerecording or depositing and re-depositing of any such instruments or incident to the taking of such action pursuant to this Section 21.

SECTION 22. DEFAULT. The following events shall constitute Events of Default hereunder (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority) and each such Event of Default shall be deemed to exist and continue for so long as, but only as long as, it shall not have been remedied:

(a) payment of any portion of Basic Rent or Casualty Value shall not be made by or on behalf of the Lessee within 10 Business Days after the same shall have become due; or

(b) the Lessee or the Guarantor shall fail to make any other payment under the Operative Agreements, including without limitation, any payment of Supplemental Rent (other than Casualty Value), after the same shall have become due and such failure shall continue unremedied for a period of 30 days after receipt by the Lessee of written notice of such failure; or

(c) the Lessee shall fail to procure and maintain the insurance required by Section 15 or shall permit the lapse or cancellation of such insurance; provided that no such lapse or cancellation shall constitute an Event of Default until the earlier of (x) 10 days after receipt by the Lessor of written

notice of such lapse or cancellation and (y) the date such lapse or cancellation is effective as to the Lessor; or

(d) any representation or warranty made by the Lessee or the Guarantor in this Lease, in the Omnibus Agreement or in any other Operative Agreement is untrue or incorrect in any material respect as of the date made and such untruth or incorrectness shall continue to be material and unremedied for a period of 60 days after the earlier of (i) receipt by the Lessee of written notice thereof and (ii) the Lessee or the Guarantor having obtained actual knowledge thereof; or

(e) the Lessee or the Guarantor shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or (ii) consent to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it, or (iii) generally fail to pay, or admit in writing its inability to pay, its debts as they come due, or (iv) make a general assignment for the benefit of creditors, or (v) take any corporate action to authorize, or in furtherance of, any of the foregoing; or

(f) an involuntary case or other proceeding shall be commenced against the Lessee or the Guarantor seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or

(g) the Lessee or the Guarantor shall fail to observe or perform in any material respect any of its covenants or agreements (other than those described in the foregoing clauses of this Section 22) to be observed or performed by the Lessee or the Guarantor hereunder or under the Omnibus Agreement or any other Operative Agreement and such failure shall continue unremedied for 30 days after the earlier of (i) written notice from the Lessor to the Lessee or the Guarantor, as the case may be, specifying the failure and demanding the same to be remedied and (ii) the Lessee or the Guarantor, as the case may be, having obtained actual knowledge thereof; provided that, if such failure is capable of being remedied, no such failure shall constitute a Lease Event of Default hereunder for a period of 180 days after receipt of such notice or obtaining actual knowledge for so long as the Lessee

or the Guarantor, as the case may be, is diligently proceeding to remedy such failure; provided further that during such period there shall be no risk or danger of (A) the sale, forfeiture or loss of any Unit of Equipment, or the subjection thereof to any Lien (other than Permitted Liens), or interference with the payment of Basic Rent or with the operation, use or disposition of any Unit or with title thereto or any interest therein, or (B) the imposition of any liability (including any criminal liability) on the part of, or any adverse effect on, the Lessor or any adverse effect on any Unit of Equipment; or

(h) Lessee or Guarantor shall cease to do business as a going concern; or

(i) the Guaranty shall cease to be in full force and effect for any reason.

Upon the occurrence of any Event of Default, Lessor shall have the right to declare this Lease in default by a written notice to Lessee to that effect. Such declaration shall apply to all Lease Supplements then in effect hereunder except as specifically excepted by Lessor in such declaration. Upon the making of any such declaration Lessor shall have all remedies available under applicable law or in equity, including without limitation, the right to exercise any one or more of the following remedies:

(a) To take possession of any and all items of Equipment, without further demand or notice, wherever same may be located, without any court order or any process of law (but if Lessor applies for a court order or the issuance of legal process, Lessee waives all prior notice of the making of such application or the issuance of such order or legal process), and said taking of possession shall not constitute termination of this Lease or relieve Lessee of any of its obligations as to any or all items of Equipment unless Lessor expressly so notifies Lessee in writing;

(b) To terminate this Lease as to any or all items of Equipment without prejudice to Lessor's rights in respect of obligations then accrued and remaining unsatisfied;

(c) The Lessor may, by written notice to the Lessee specifying a payment date which shall be a Rent Payment Date not earlier than the 10th day after the date of such notice may require that the Lessee pay to the Lessor, and the Lessee shall pay to the Lessor on the date specified in such notice as liquidated damages for loss of a bargain and not as a penalty (and in lieu of scheduled Basic Rent due after the date specified in such notice), the sum of: (x) any unpaid Rent due on or prior to the Rent Payment Date specified in such notice plus (y) the greater of the Casualty Value,

computed as of the Rent Payment Date specified in such notice, and the Fair Market Value of the Equipment and upon such payment (and payment of interest on the amount calculated pursuant to this clause (c) at the Late Rate from the date specified for payment until actually paid if not paid on the date so specified), the Lessor shall transfer "as is", "where is", without recourse or warranty (except as to the absence of Lessor's Liens) all right, title, and interest of the Lessor to the Equipment to the Lessee or as it may direct, and the Lease Term, if not theretofore ended, shall end; or

(d) To sell any or all of the Equipment at public or private sale, in bulk or in parcels, for cash or on credit without having the Equipment present at the place of sale and to recover from Lessee all costs of taking possession, storing, repairing, and selling the Equipment (and Lessor may use Lessee's premises for any or all of the foregoing without any liability for rent, costs, damages or otherwise) or to otherwise dispose of, hold, use, operate, lease to others or keep idle such Equipment, all as Lessor in its sole discretion may determine, and to apply the proceeds of such action (1) to all costs and charges and expenses incurred in taking, removing, holding, operating, repairing and selling, leasing or otherwise disposing of Equipment; then (2) to the extent not previously paid by Lessee, to pay Lessor the aggregate Casualty Value of the Equipment and all other sums, including any unpaid Rent and late fees and any indemnification then remaining unpaid hereon or in any late fees and any indemnification then remaining unpaid hereon or in any other Agreement between Lessor and Lessee; then (3) to reimburse to Lessee any such sums previously paid by Lessee as liquidated damages; any surplus in excess of (1), (2) and (3) shall be retained by Lessor, and Lessee shall pay to Lessor any deficiency in (1) and (2) forthwith upon demand by Lessor; or

(e) To exercise any other right or remedy that may be available to it at law, in equity or by statute (including under Article 2A of the Illinois Uniform Commercial Code).

Lessee agrees to notify Lessor promptly upon Lessee's learning of any Event of Default or condition or event which could mature to an Event of Default. Notwithstanding any repossession, or any other action which Lessor may take (including without limitation re-sale or re-lease of the Equipment by Lessor), Lessee shall be and remain absolutely and unconditionally liable for the full performance of all obligations on the part of the Lessee to be performed under this Lease. All such remedies are cumulative and may be exercised concurrently or separately. The failure of Lessor to exercise any of its rights hereunder shall not be deemed a waiver of such rights.

In addition to the foregoing, Lessee shall pay Lessor all costs and expenses, including reasonable attorneys' fees and fees of collection agencies incurred by Lessor in exercising any of its rights or remedies hereunder.

Upon the occurrence of an Event of Default, the Lessor may request that the Lessee deliver to the Lessor, and upon such request the Lessee agrees that it will promptly deliver to the Lessor, a detailed list of all Units that are then being subleased by the Lessee, the identity of the sublessees with respect to such Units, the identity of an employee or other agent of each such sublessee with whom the Lessee regularly communicates in respect of such Units and the most recent known location of such Units.

SECTION 23. ASSIGNMENT BY LESSOR. Lessee acknowledges and understands that Lessor may assign this Lease or any Lease Supplement or any interest herein or therein to any person, organization, or entity, and Lessee shall (1) recognize any such assignment, (2) accept the lawful demands of such assignee, (3) surrender the Equipment only to such assignee, and (4) pay all Rent payable hereunder and do any and all things required by Lessee hereunder, notwithstanding any default of the Lessor named herein or the existence of any claim, defense or offset between Lessee and said Lessor.

SECTION 24. NOTICES. Any notices and demands required to be given hereunder shall be in writing and may be delivered personally or mailed by regular first-class mail to the respective addresses of the parties set forth in Section 7.2 of the Omnibus Agreement, or to such other address as either party may hereafter indicate by written notice.

SECTION 25. MISCELLANEOUS. (a) Any provision of this Lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions thereof, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof unenforceable in any respect. Any waiver of the terms hereof shall be effective only if in writing and signed by Lessor in the specific instance and for the specific purpose given.

(b) Time is of the essence in this Lease.

(c) The captions in this Lease are for convenience only and shall not define or limit any of the terms hereof.

(d) THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

SECTION 26. ADDITIONAL PROVISIONS. The additional provisions, if any, contained in any addendum or Lease Supplement attached hereto or hereafter executed by the parties and delivered shall be incorporated herein by this reference and shall thereupon become a part of this Lease to the same extent and with the same force and effect as if they had been included in this Lease prior to execution and delivery.

SECTION 27. REPORTING MARKS FOLLOWING RETURN. Except as may be otherwise set forth on any Lease Supplement attached hereto, upon the return of any Unit hereunder, the Lessor shall, as soon as practicable but no later than one (1) year following such return, (i) re-mark such Unit (or request that the Lessee re-mark such Equipment at the Lessor's expense) to delete the Lessee's reporting marks and numbers and replace them with other appropriate reporting marks, and (ii) make all appropriate filings with the ICC and the AAR to reflect such re-markings; provided that the Lessor may continue during such one-year period to use the Lessee's reporting marks on any redelivered Units and the Lessee shall (A) collect all AAR car hire earnings, (B) pay repair bills and maintenance fees, (C) audit AAR car hire earnings and AAR repair bills for such Units, and (D) pay over to the Lessor all care hire earnings and depreciated value payments for such redelivered Units minus the sum of (x) all accrued maintenance and repair costs on such redelivered Units as of yet unpaid by the Lessor, (y) all ad valorem property taxes assessed against each such redelivered Unit, and (z) a fee of fifteen dollars (\$15) per Unit per month for each month a redelivered Unit retains the Lessee's registry marks.

SECTION 28. REPORTS AND OTHER INFORMATION. So long as the Lessee has any obligations under or pursuant to this Lease, the Lessee will furnish (or cause to be furnished) to the Lessor:

(a) Immediately upon learning of the occurrence of any of the following, written notice describing the same and the steps being taken by the Lessee or any Subsidiary affected in respect thereof: (i) the occurrence of an Event of Default or of any event or condition that would become such an Event of Default with notice or the passage of time or both; (ii) the institution of, or any adverse determination in, any litigation, arbitration or governmental proceeding which would, if adversely determined, have a material adverse effect on the ability of the Lessee to perform its obligations under the Operative Agreements; and (iii) any incident involving any Unit alleging personal injury or property damage (including damage to the environment) which may involve damages or costs of remediation to Lessee in an amount which would have a material adverse effect on the ability of the Lessee to perform its obligations under the Operative Agreements; and

(b) From time to time such other information, financial or otherwise, concerning the Lessee or any Subsidiary as the Lessor may reasonably request.

SECTION 29. LESSEE'S RIGHT OF QUIET ENJOYMENT. For so long as no Event of Default has occurred and is continuing, the Lessor shall not take, or cause to be taken, any action contrary to the Lessee's rights under this Lease, including, without limitation, the right to possession and use by the Lessee or any permitted sublessee of the Equipment.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be duly executed and delivered at Evanston, Illinois as of the day and year first above written.

LESSOR:

NORLEASE, INC.

By: 

Name: ~~JOHN J. PAPE~~
Title: ~~PRESIDENT~~

LESSEE:

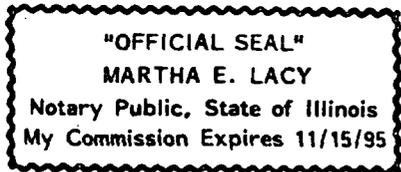
WCTU RAILWAY COMPANY

By: 

Name: Stephen G. Dinsmore
Title: Vice Pres.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 29th day of December, 1992, before me personally appeared John J. Pape, to me personally known, who being by me duly sworn, says that he is the President of NORLEASE, INC., 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.



Martha E. Lacy
Notary Public

[NOTARIAL SEAL]

My commission expires: 11/15/95

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 29th day of December, 1992, before me personally appeared Stephen G. Dinsmore, to me personally known, who being by me duly sworn, says that he is the Vice President of WCTU RAILWAY COMPANY, 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.

Clare C. Potempa
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

" OFFICIAL SEAL "
CLARE C. POTEPA
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 6/1/96

APPENDIX A
to Equipment Lease Agreement

DEFINITIONS

General Provisions

The following terms shall have the following meanings for all purposes of the Operative Agreements referred to below, unless otherwise defined in an Operative Agreement or the context thereof shall otherwise require and such meanings shall be equally applicable to both the singular and the plural forms of the terms herein defined. In the case of any conflict between the provisions of this Appendix A and the provisions of the main body of such Operative Agreement shall control the construction of such Operative Agreement.

Unless the context otherwise requires, references (i) to agreements shall be deemed to mean and include such agreements as the same may be amended, supplemented and otherwise modified from time to time, in accordance with the terms thereof, and (ii) to parties to agreements shall be deemed to include the successors and permitted assigns of such parties.

Defined Terms

"Affiliate" of any Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under a common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the term "controlled" shall have a meaning correlative to the foregoing.

"After-Tax Basis" shall mean, with respect to any payment received or deemed for income tax purposes to have been received by any Person, the amount of such payment supplemented by a further payment to that Person so that the sum of the two payments, after deduction of all taxes (calculated based on the assumption that such taxes are payable at the highest marginal statutory rates applicable for the relevant period and taking into account at such rates any current credits or deductions arising therefrom or from the expense or liability for which the underlying payment is made) resulting from the receipt or accrual (actual or constructive) of such two payments imposed under any Applicable Law or by a Governmental Authority, shall be equal to the payment received or deemed to have been received.

"Applicable Law" shall mean all applicable laws, Environmental Laws, statutes, treaties, rules, codes, ordinances, regulations, certificates, orders, interpretations, licenses and permits of any Governmental Authority and judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including, without limitation, those pertaining to health, safety or the environment).

"Appraisal" shall have the meaning specified in Section 4.1(m) of the Omnibus Agreement.

"Asset Purchase Agreement" shall mean the Asset Purchase Agreement dated as of December 15, 1992 between the Guarantor and the Lessor.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, 11 U.S.C. § 101 et seq., as amended from time to time.

"Basic Rent" shall mean, with respect to any Unit of Equipment, all scheduled rent payable by Lessee to the Lessor pursuant to Section 3(b) of the Lease for the Basic Term for such Unit, and all scheduled rent payable pursuant to Section 17 of the Lease for any Renewal Term for such Unit.

"Basic Term" shall have the meaning specified in Section 3(a) of the Lease.

"Basic Term Commencement Date" shall mean December 30, 1992.

"Basic Term Expiration Date" shall mean December 29, 1997.

"Bill of Sale" shall mean the bill of sale, dated the Closing Date from the Guarantor or the Lessee, as the case may be, to the Lessor covering the Units delivered on the Closing Date, substantially in the form of Exhibit B to the Asset Purchase Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in Chicago, Illinois.

"Casualty Occurrence" shall have the meaning specified in Section 14(a) of the Lease.

"Casualty Value" shall mean, for any Unit, the amount determined in accordance with the provisions entitled "Casualty Value" set forth in the applicable Lease Supplement. To the extent that an event giving rise to an obligation to pay any Casualty Value occurs, and the actual date on which such event is deemed to

occur for tax purposes shall be earlier or later than the date assumed in calculating the Federal income tax consequences reflected in the applicable Casualty Value, such Casualty Value shall be appropriately adjusted to reflect such actual date, but shall be otherwise based on the original assumptions used in determining such Casualty Value.

"Claims" shall have the meaning specified in Section 6.2(a) of the Omnibus Agreement.

"Closing" shall have the meaning specified in Section 2.1(b) of the Omnibus Agreement.

"Closing Date" shall have the meaning specified in Section 2.1(a) of the Omnibus Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Default" or "Lease Default" shall mean an event which with notice or lapse of time or both would become an Event of Default.

"DOT" shall mean the United States Department of Transportation, or any successor thereto.

"Environmental Laws" shall mean all permits, laws, statutes, rules, regulations, ordinances, and judicial and administrative decrees, decisions, rulings, judgments and orders of United States and Canadian federal, state, provincial and local governmental bodies having jurisdiction thereof, guidelines and rules of common law now or hereafter in effect, and in each case as amended, and any judicial or administrative interpretation thereof, which relate to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land, surface or subsurface strata, wildlife, aquatic species and vegetation), including, without limitation, all such laws and regulations relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the workplace, the community or the environment, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, discharge, release, transport or handling of Hazardous Substances.

"Equipment" shall mean collectively those items of railroad rolling stock described in the Lease Supplements, together with any and all accessions, additions, improvements, substitutions and replacements from time to time incorporated or installed in any item thereof which are the property of the Lessor pursuant to the terms of a Bill of Sale or the Lease.

"Equipment Cost" shall mean, for each Unit, the purchase price therefor paid by the Lessor to the Guarantor pursuant to Section 1.03 of the Asset Purchase Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor law.

"Escrow Agent" shall mean The Northern Trust Company, an Illinois banking corporation, and its successors and assigns.

"Escrow Agreement" shall mean the Escrow Agreement dated as of December 15, 1992 among the Escrow Agent, the Guarantor and the Lessor.

"Event of Default" or "Lease Event of Default" shall mean an Event of Default under the Lease as specified in Section 22 thereof.

"Fair Rental Value" or "Fair Market Value", with respect to any Unit of Equipment, shall mean the cash rent or cash price obtainable for such Unit in an arm's length lease or sale between an informed and willing lessee or purchaser (other than a lessee or purchaser currently in possession) under no compulsion to lease or purchase, as the case may be, an informed and willing lessor or seller, under no compulsion to lease or sell, as the case may be, such determination to be made (i) on the assumption that such Unit of Equipment is in at least the condition and state of repair required by the Lease (other than in respect of any determination made in connection with Section 22 of the Lease), (ii) with respect to Fair Rental Value, on the basis of a lease having terms and conditions (other than Rent and renewal and purchase options) similar to the terms and conditions of the Lease and (iii) on the assumption that such Unit of Equipment is not subject to the Lease or any other lease or sublease, as the same shall be specified by agreement between the Lessor and the Lessee, or, if the Lessor and the Lessee shall be unable to agree upon such a determination within 30 days following a request by either such party therefor, "Fair Rental Value" and "Fair Market Value" shall be determined pursuant to Section 18 of the Lease. Notwithstanding any of the foregoing, for the purposes of Section 22 of the Lease, the Fair Rental Value or the Fair Market Value, as the case may be, shall be zero with respect to any Unit if the Lessor is unable to recover possession of such Unit in accordance with the terms of Section 22 of the Lease.

"Governmental Authority" shall mean any federal, state, county, municipal or other local or foreign governmental authority or judicial or regulatory agency, board, body, commission, instrumentality, court or quasi-governmental authority from time to time having jurisdiction over any Unit or any Person that is a party to any Operative Agreement, any property of any of them or any of the transactions contemplated by any Operative Agreement.

"Guarantor" shall mean Union Tank Car Company, a Delaware corporation, and any corporation which succeeds thereto by merger or consolidation or which acquires all or substantially all of the assets thereof.

"Guaranty Agreement" or "Guaranty" shall mean the Guaranty Agreement dated as of December 15, 1992 issued by the Guarantor in favor of the Lessor and the Escrow Agent.

"Hazardous Substances" shall mean (i) petroleum and petroleum wastes; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) any hazardous or toxic substances, chemicals, pollutants, contaminants, materials or wastes, including, without limitation, those substances, chemicals, pollutants, contaminants, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR part 302), as each hereafter is amended; and (v) without limiting the foregoing clause (iv), such substances, chemicals, pollutants, contaminants, materials and wastes which are or become regulated under any applicable local, state or federal law, including, without limitation, any materials, chemicals, pollutants, contaminants, waste, or substance which is (a) defined as a "hazardous material", "hazardous substance" or "hazardous waste" under applicable state laws, (b) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, (c) defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, or (d) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act.

"Holdover Rent" shall have the meaning specified in Section 19(c)(3) of the Lease.

"ICC" shall mean the Interstate Commerce Commission of the United States, or any successor agency.

"Imposition" shall have the meaning specified in Section 6.1(a) of the Omnibus Agreement.

"Indemnified Person" shall have the meaning specified in Section 6 of the Omnibus Agreement.

"Interchange Rules" shall mean the interchange rules or supplements thereto of the Mechanical Division of the Association of American Railroads (or any successor organization), as the same may be in effect from time to time.

"Late Rate" shall have the meaning ascribed to such term in Section 3(c) of the Lease.

"Lease" or "Lease Agreement" or "Equipment Lease" shall mean the Equipment Lease Agreement relating to the Equipment, dated as of the Closing Date, between the Lessor and the Lessee. Such terms shall include each Lease Supplement entered into pursuant to the terms of the Lease.

"Lease Supplement" shall mean a Lease Supplement dated the Closing Date, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units delivered on the Closing Date.

"Lease Term" shall mean, with respect to any Unit, collectively, the Basic Term applicable to such Unit and any Renewal Term applicable to such Unit then in effect.

"Lease Termination Date" shall mean the last day of the Lease Term, whether occurring by reason of expiration of the Lease Term or earlier termination of the Lease in accordance with the terms thereof, after which day no Units are subject to the Lease.

"Lessee" shall mean WCTU Railway Company, an Oregon corporation, and any corporation which succeeds thereto by merger or consolidation or which acquires all or substantially all of the assets thereof.

"Lessor" shall mean Norlease, Inc., a Delaware corporation, and its successors and assigns.

"Lessor's Liens" means any Lien affecting, on or in respect of the Equipment or the Lease arising directly as a result of (i) claims against the Lessor not related to the transactions contemplated by the Operative Agreements, or (ii) acts or omissions of the Lessor not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of the Lessor set forth in any of the Operative Agreements, or (iii) taxes imposed against the Lessor which (x) are not required to be indemnified against by the Lessee pursuant to the Omnibus Agreement or (y) are required to be indemnified against by the Lessee pursuant to the Omnibus Agreement and the Lessee has fully discharged its obligation to pay to, or on behalf of, the Lessor such taxes or an indemnity with respect thereto, or (iv) claims against the Lessor arising out of the transfer (whether voluntary or involuntary) by the Lessor of all or any portion of its interest in the Equipment or the Operative Agreements, other than a transfer pursuant to the Lease or pursuant to that certain letter agreement dated as of the Closing Date between the Lessor and the Guarantor.

"Lien" shall mean any mortgage, pledge, security interest, lease, disposition of title or other material lien, encumbrance or charge of any kind on property.

"Limited Use Property" shall have the meaning ascribed thereto in Rev. Proc. 76-30, 1976-2 C.B. 847.

"Modification" shall mean, when used with respect to any property, any alteration, modification, addition or improvement of or to such property, but shall not include any part or component of such property as originally constituted on the Closing Date or any replacement part or component therefor.

"Multiemployer Plan" shall mean a plan which is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA.

"Non-Severable Modification" shall mean any Modification that is not readily removable without causing material damage to the Equipment or any Unit.

"Officer's Certificate" shall mean a certificate signed (i) in the case of a corporation, by the president, any Vice President, the Treasurer or an Assistant Treasurer, (ii) in the case of a partnership by the President, any Vice President, the Treasurer or an Assistant Treasurer of a corporate general partner, and (iii) in the case of a commercial bank or trust company, the President, any Vice President, any Trust Officer or any other officer customarily performing the functions similar to those performed by the persons who at the time shall be such officers, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"Omnibus Agreement" shall mean the Omnibus Agreement dated as of December 15, 1992, among the Lessee, the Lessor, the Guarantor and the Escrow Agent.

"Operative Agreement" shall mean the Omnibus Agreement, the Bill of Sale, the Refurbishment Agreement, the Escrow Agreement, the Guaranty, the Asset Purchase Agreement and the Lease (including each Lease Supplement).

"Optional Modification" shall have the meaning specified in Section 13(c) of the Lease.

"Pension Plan" shall mean a single employer plan as defined in Section 4001(a)(15) of ERISA or an individual account plan which is subject to the funding standards of Section 302 of ERISA with respect to which the Lessee or any entity required to be aggregated with the Lessee under Section 414(b), (c), (m) or (o) of the Code at any relevant time maintains, has an obligation to contribute or has liability.

"Permitted Liens" shall mean, with respect to the Equipment and each Unit thereof, (i) the interests of the Lessee and the Lessor under the Lease; (ii) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section

12 of the Lease; (iii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with use or possession or disposition of, or diminution of value, utility or useful life of, any Unit or any interest therein, or of any interference with the payment of Rent, (b) such contest would not result in, or create or increase any risk of, the imposition of any criminal or other liability on any Indemnified Person, (c) such contest would not materially and adversely affect the rights, titles and interests of the Lessor in or to any Unit or any interest therein, and (d) appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles; (iv) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens (other than Liens in favor of any vendor or manufacturer of the Equipment) arising in the ordinary course of the Lessee's (or if a sublease permitted pursuant to Section 12 of the Lease is then in effect, any sublessee's) business securing obligations which are not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with use or possession or disposition of, or diminution of value, utility or useful life of, any Unit or any interest therein, or any interference with the payment of Rent, (b) such contest would not result in, or create or increase any risk of, the imposition of any criminal or other liability on any Indemnified Person, (c) such contest would not adversely affect the rights, titles and interests of the Lessor in or to any Unit or any interest therein and (d) appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles, provided that any such Lien in effect on the Closing Date shall have been removed no later than 180 days thereafter; (v) Liens arising out of any judgment or award against the Lessee (or any sublessee permitted pursuant to Section 12 of the Lease) with respect to which an appeal or proceeding for review is being taken in good faith and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with the use or possession or disposition of, or diminution of value, utility or useful life of, any Unit or any interest therein, or of any interference with the payment of Rent, (b) such contest would not result in, or create or increase any risk of, the imposition of any criminal or other liability on any Indemnified Person, (c) such contest would not adversely affect the rights, titles and interests of the Lessor in or to any Unit or any interest therein, and (d) appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles; and (vi) salvage rights

of insurers under insurance policies required to be maintained pursuant to Section 15 of the Lease.

"Permitted Sublease" shall have the meaning specified in Section 12 of the Lease.

"Person" shall mean an individual, partnership, corporation, trust, association or unincorporated organization, and a government or agency or political subdivision thereof.

"Refurbishment Agreement" shall mean the Refurbishment Agreement dated as of the Closing Date between the Lessee and Procor Limited.

"Renewal Term" shall mean, with respect to any Unit, any term in respect of which the Lessee shall have exercised its option to renew the Lease for such Unit pursuant to Section 17 thereof.

"Rent" shall mean all Basic Rent and Supplemental Rent.

"Rent Payment Date" shall mean each date on which Basic Rent is payable pursuant to Schedule 1 to Lease Supplement No. 1; provided, that if any such scheduled date is not a Business Day, the applicable Rent Payment Date shall be the Business Day next preceding such scheduled date.

"Required Modification" shall have the meaning specified in Section 13(b) of the Lease.

"Responsible Officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of any party contained in any Operative Agreement, the President, or any Vice President, Treasurer, Assistant Treasurer or other officer thereof, who in the normal performance of his or her operational responsibility would have knowledge of such matters and the requirements with respect thereto.

"Return Location" shall have the meaning specified in Section 19(a) of the Lease.

"Severable Modification" shall mean any Modification other than a Non-Severable Modification.

"Severable Optional Modification" shall mean any Severable Modification which is made pursuant to Section 13(c) of the Lease.

"Storage Period" shall have the meaning specified in Section 19(e) of the Lease.

"Subsidiary" of any Person shall mean any corporation, association, or other business entity of which more than 50% (by number of votes) of the voting stock at the time outstanding shall

at the time be owned, directly or indirectly, by such Person or by any other corporation, association or trust which is itself a Subsidiary within the meaning of this definition, or collectively by such Person and any one or more such Subsidiaries.

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent) which the Lessee is obligated to pay under the Operative Agreements to or on behalf of any of the other parties thereto, including, without limitation, Termination Value and Casualty Value payments and payments pursuant to Section 6 of the Omnibus Agreement.

"Total Equipment Cost" shall mean the sum of the Equipment Cost for each Unit.

"Transaction Costs" shall have the meaning specified in Section 2.2(a) of the Omnibus Agreement.

"Unit" shall mean each unit or item of Equipment.

Exhibit A

LEASE SUPPLEMENT NO. _____

This LEASE SUPPLEMENT No. _____ is dated December ____, 1992 between NORLEASE, INC., a Delaware corporation ("Lessor"), and WCTU RAILWAY COMPANY, an Oregon corporation ("Lessee"), and supplements that certain EQUIPMENT LEASE AGREEMENT dated as of December 15, 1992 (the "Lease") between Lessor and Lessee.

Unless the context otherwise requires, all capitalized terms used herein without definition shall have the respective meanings set forth in Appendix A to the Lease for all purposes of this Lease Supplement.

EQUIPMENT

LEASED: As described on Schedule 3 attached hereto.

RENT: The Lessee hereby agrees to pay the Lessor as Basic Rent for each Unit throughout the Basic Term applicable thereto Basic Rent in consecutive monthly installments, in arrears, payable on each Rent Payment Date. Each such monthly payment of Basic Rent shall be in an amount equal to the amount of Basic Rent set forth opposite such Rent Payment Date on Schedule 1 attached hereto.

CASUALTY VALUE: In the event the Casualty Value of an Unit is to be determined as of a date prior to the Basic Term Commencement Date with respect to such Unit (whether because of a Casualty Occurrence as described in Section 14(a) of the Lease, or otherwise), such Casualty Value shall be an amount equal to the sum of (i) the Cost of the Equipment in respect of such item, (ii) plus all Basic Rent and other Rent thereon due, accrued or owing to the date of payment. In the event the Casualty Value of an Unit is to be determined as of or subsequent to the Basic Term Commencement Date with respect to such Unit, such Casualty Value shall be an amount equal to (i) the amount set forth opposite the Rent Payment Date on which such Casualty Value is payable pursuant to Section 14(b) of the Lease plus (ii) the amount of Basic Rent for such Unit due on such Rent Payment Date. The Casualty Value is payable in addition to Supplemental Rent due or accrued, if any, and other fees which may be due under the Lease to the date such payment is to be made and does not include any amounts for which Lessor may be entitled to indemnification under Section 6 of the Omnibus Agreement. No further Basic Rent shall accrue in respect to such Unit after the date payment of such Casualty Value is due.

ACCEPTANCE: Lessee has inspected and accepted the Equipment, as set forth in Section 2 of the Lease, and acknowledges that Lessor makes no representations or warranties as to the Equipment.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered at _____ on the day and year first above written.

LESSOR:

NORLEASE, INC.

By: _____

Name:

Title:

LESSEE:

WCTU RAILWAY COMPANY

By: _____

Name:

Title:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ day of December, 1992, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of NORLEASE, INC., 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: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ day of December, 1992, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of WCTU RAILWAY COMPANY, 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: _____

SCHEDULE 1
BASIC RENT PER UNIT

RENT PAYMENT
DATE

RENT
DUE

SCHEDULE 2
CASUALTY VALUE PER UNIT

RENT PAYMENT CASUALTY CASUALTY
DATE VALUE (%) VALUE (\$)

Schedule 3

Description of Units

CASUALTY SCHEDULE 2
VALUE PER UNIT

RENT PAYMENT CASUALTY CASUALTY
DATE VALUE (%) VALUE (\$)



Schedule 3

Description of Units

The Units comprise 281 used PACCAR boxcars bearing car numbers as follows:

WCTR101900	WCTR101954	WCTR102008	WCTR102061	WCTR102113	WCTR102164
WCTR101901	WCTR101956	WCTR102009	WCTR102062	WCTR102114	WCTR102165
WCTR101902	WCTR101957	WCTR102010	WCTR102063	WCTR102115	WCTR102166
WCTR101903	WCTR101958	WCTR102011	WCTR102064	WCTR102116	WCTR102167
WCTR101904	WCTR101960	WCTR102012	WCTR102065	WCTR102117	WCTR102168
WCTR101905	WCTR101961	WCTR102013	WCTR102066	WCTR102118	WCTR102169
WCTR101906	WCTR101962	WCTR102014	WCTR102067	WCTR102119	WCTR102170
WCTR101907	WCTR101963	WCTR102015	WCTR102068	WCTR102120	WCTR102172
WCTR101908	WCTR101964	WCTR102016	WCTR102069	WCTR102121	WCTR102173
WCTR101909	WCTR101965	WCTR102017	WCTR102070	WCTR102122	WCTR102174
WCTR101910	WCTR101966	WCTR102018	WCTR102071	WCTR102123	WCTR102175
WCTR101911	WCTR101967	WCTR102019	WCTR102072	WCTR102124	WCTR102176
WCTR101912	WCTR101968	WCTR102020	WCTR102073	WCTR102125	WCTR102177
WCTR101913	WCTR101969	WCTR102021	WCTR102074	WCTR102126	WCTR102178
WCTR101915	WCTR101970	WCTR102022	WCTR102075	WCTR102127	WCTR102179
WCTR101917	WCTR101971	WCTR102023	WCTR102076	WCTR102128	WCTR102180
WCTR101918	WCTR101972	WCTR102024	WCTR102077	WCTR102129	WCTR102181
WCTR101919	WCTR101973	WCTR102025	WCTR102078	WCTR102130	WCTR102182
WCTR101921	WCTR101974	WCTR102027	WCTR102079	WCTR102131	WCTR102183
WCTR101922		WCTR102028	WCTR102080	WCTR102132	WCTR102184
	WCTR101976	WCTR102029	WCTR102081	WCTR102133	WCTR102185
WCTR101924	WCTR101977	WCTR102030	WCTR102082	WCTR102134	WCTR102186
WCTR101925	WCTR101978	WCTR102031	WCTR102084	WCTR102135	WCTR102188
WCTR101926	WCTR101979	WCTR102032	WCTR102085	WCTR102136	WCTR102190
WCTR101927	WCTR101980	WCTR102033	WCTR102086	WCTR102137	WCTR102191
WCTR101928	WCTR101981	WCTR102034	WCTR102087	WCTR102138	WCTR102192
WCTR101929	WCTR101982	WCTR102035	WCTR102088	WCTR102139	WCTR102193
WCTR101930	WCTR101983	WCTR102036	WCTR102089	WCTR102140	WCTR102194
WCTR101931	WCTR101984	WCTR102037	WCTR102090	WCTR102141	WCTR102195
WCTR101932	WCTR101985	WCTR102038	WCTR102091	WCTR102142	WCTR102196
WCTR101933	WCTR101986	WCTR102039	WCTR102092	WCTR102143	WCTR102197
WCTR101934	WCTR101987	WCTR102040	WCTR102093	WCTR102144	WCTR102198
WCTR101935	WCTR101989	WCTR102041	WCTR102094	WCTR102145	WCTR102199
WCTR101936	WCTR101990	WCTR102042	WCTR102095	WCTR102146	
WCTR101937	WCTR101991	WCTR102043	WCTR102096	WCTR102147	
WCTR101938	WCTR101992	WCTR102044	WCTR102097	WCTR102148	
WCTR101940	WCTR101993	WCTR102045	WCTR102098	WCTR102149	
WCTR101941	WCTR101994	WCTR102047	WCTR102099	WCTR102150	
WCTR101942	WCTR101995	WCTR102048	WCTR102100	WCTR102151	
WCTR101943	WCTR101997	WCTR102049	WCTR102101	WCTR102152	
WCTR101944	WCTR101998	WCTR102050	WCTR102102	WCTR102153	
WCTR101945	WCTR101999	WCTR102051	WCTR102103	WCTR102154	
WCTR101946	WCTR102000	WCTR102052	WCTR102104	WCTR102155	
WCTR101947	WCTR102001	WCTR102053	WCTR102105	WCTR102156	
WCTR101948	WCTR102002	WCTR102054	WCTR102106	WCTR102157	
WCTR101949	WCTR102003	WCTR102055	WCTR102107	WCTR102158	
WCTR101950	WCTR102004	WCTR102056	WCTR102109	WCTR102160	
WCTR101951	WCTR102005	WCTR102057	WCTR102110	WCTR102161	
WCTR101952	WCTR102006	WCTR102058	WCTR102111	WCTR102162	
WCTR101953	WCTR102007	WCTR102060	WCTR102112	WCTR102163	