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LAW OFFICES

MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

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30 WEST PATRICK STREET
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22 WEST JEFFERSON STREET
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600 WASHINGTON AVENUE
TOWSON, MD 21204-3965

1450 G STREET, N.W.
WASHINGTON, D.C. 20005-2001

300 ACADEMY STREET
CAMBRIDGE, MD 21613-1865

101 BAY STREET
EASTON, MD 21601-2718

11350 RANDOM HILLS ROAD
FAIRFAX, VA 22030-7429

1988

March 8, 1996

Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423
Attention: Mrs. Janice Fort
Recordation

Re: Our File No.: 258-1623

MAR 11 12 03 PM '96

Dear Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Lease Agreement dated January 25, 1996 between Rail Trusts Equipment, Inc. (1661 Beach Boulevard, Jacksonville Beach, Florida 32250) and Sault Ste. Marie Bridge Co. (6250 North River Road, Suite 9000, Rosemont, Illinois 60018).
Lessor Lessee

Also enclosed is a check in the amount of \$21.00 to cover the costs of recording this document.

Once this document has been recorded, please return the same to: John A. Stalfort, Esquire, Miles & Stockbridge, 10 Light Street, Baltimore, Maryland 21202).

Thank you for your prompt attention to this matter. Please call me at (410) 385-3425 if you have any questions.

Sincerely,

Michele E. Sperato

Michele E. Sperato
Secretary to John A. Stalfort

Enclosures

1996

LEASE AGREEMENT

9:30 PM

This LEASE AGREEMENT ("Lease") is made and entered as of the 25th day of January, 1996, between RAIL TRUSTS EQUIPMENT, INC. (hereinafter called "Lessor"), and SAULT STE. MARIE BRIDGE CO. (hereinafter called "Lessee").

RECITALS

WHEREAS, Lessor desires to lease certain railroad freight car equipment, referred to hereafter as the "Cars," and more specifically identified on Exhibit A attached hereto; and

WHEREAS, Lessee desires to lease such Cars from Lessor all upon the rentals, terms and conditions set forth in this Lease, which incorporates the terms of the prime lease.

AGREEMENT

1. Definitions. In addition to the definitions included elsewhere in this Lease, certain terms are defined for purposes of this Lease as follows:

"AAR" shall mean the Association of American Railroads, and "Interchange Rules" shall mean all codes, rules, interpretations, laws and orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, as adopted and in effect from time to time by the AAR and/or any other organization, association, agency or governmental authority, including the Surface Transportation Board and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

"Car Hire" shall mean compensation paid to an owner of car marks for use of a Car by a rail carrier in possession of a Car of which it is not the owner. Such compensation may include, but need not be limited to, hourly and mileage rates.

"Cars" shall mean the 100-ton open hoppers from the series CN 345000, which are being repaired by Lessor in accordance with Exhibit D attached hereto, and which are being restenciled to bear Lessee's reporting mark and numbers inclusive. A single unit of such equipment shall be referred to as a "Car."

"Casualty Car" shall mean a Car which suffers an Event of Loss or is damaged beyond economic repair as reasonably determined by Lessee.

"Casualty Value" for any Car shall be the amount set forth in Exhibit C attached hereto, or the amount owed from a

handling railroad (other than an affiliated company of Lessee) or other party under and pursuant to the Interchange Rules.

"Certificate of Acceptance" shall mean a certificate of acceptance substantially in the form of Exhibit B attached hereto executed by Lessee or Lessee's designated representative or agent.

"Commencement Date" as to all the Cars shall be the first day of the month following the month in which occurs the latest Delivery Date for the Cars (i.e., the first day of the month following the date on which the last of the Cars is delivered to and accepted by Lessee hereunder) but not later than June 1, 1996.

"Delivery Date" for any Car shall mean the date on which such Car is delivered to and accepted (or deemed accepted) by Lessee hereunder.

"Event of Loss" shall mean any of the events referred to in Section 18 hereof.

"Fixed Rent" shall mean, with respect to any Car to which Fixed Rent applies, yearly rent consisting of four (4) payments of payable quarterly in arrears.

"Initial Term" shall mean the period commencing on the Commencement Date and ending six (6) years from and after the Commencement Date.

"Interim Rent" shall mean, with respect to any Car to which Interim Rent applies, an amount of daily rent per Car equal to

"Repair Work" shall mean all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in compliance with all Interchange Rules and in satisfactory condition for movement in the normal interchange of rail traffic (excepting ordinary wear and tear within the meaning of the Interchange Rules), and to keep and maintain the interior fixtures and appurtenances in like condition as received at the delivery date (excepting normal wear and tear).

"Replacement Cars" shall mean Cars of substantially similar description and condition to the Cars originally subject to this Lease which are substituted for Casualty Cars.

2. Lease of Cars. Lessor agrees to lease the Cars to Lessee and Lessee agrees to lease the Cars from Lessor. The Cars covered by this Lease are those which shall be delivered to and accepted by Lessee as hereinafter provided. This Lease shall become effective as to any Car immediately upon its acceptance by Lessee pursuant to Section 4, but subject to delivery by Lessor in accordance with Section 3. It is the intent of the parties that no agency, joint

venture or partnership relationship shall arise or be created between Lessor and Lessee. Lessee's interest in the Cars shall be that of lessee only.

3. Delivery of Cars.

(a) Lessor shall deliver the Cars as promptly as is reasonably practicable. Lessor's obligations with respect to delivery of all or any of the Cars are hereby made expressly subject to, and Lessor shall not be responsible for, failure to deliver or delays in delivering Cars due to labor difficulties, fire, delays and defaults of carriers and material suppliers of Car manufacturers, acts of God, governmental acts, regulations and restrictions or any other unforeseen causes, casualties or contingencies beyond Lessor's control. Delivery shall be f.o.b. to an interchange track with Lessee in Chicago, Illinois. Lessor shall suffer no bias if fewer than 138 are delivered hereunder, and this Lease shall be effective with respect to that number of Cars actually delivered. Lessee shall have no obligation to accept any Car to be covered by this Lease if such Car is delivered after

(b) Lessor shall be responsible for all costs, charges and expenses for the transportation and movement of each Car prior to the Delivery Date. From and after the Delivery Date of a Car by Lessor, Lessee shall be liable for all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of a Car.

4. Condition of Cars and Acceptance: Within ten (10) days from execution of this Agreement, Lessee shall make a preliminary inspection of five (5) prototype cars to determine that the repairs and modifications as described on Exhibit D are satisfactory. On the basis of Lessee's approval of the prototype, Lessor shall proceed to repair and modify the remainder of the Cars as appropriate. Upon completion of the repairs and modifications, Lessee shall inspect the Cars in three (3) groups of Cars, each having between forty (40) and fifty (50) Cars. The first group of Cars will be available for inspection on or before February 25, 1996, the second group on or before March 25, 1996, and the third group on or before April 25, 1996. Lessee shall, by no later than one week after notification that the Cars are ready for acceptance (the "Inspection Deadline"), inspect such Cars at P & LE Car Company, McKees Rocks, Pennsylvania, and accept or reject them as to condition and compliance with the requirements of this Lease. Cars so inspected and accepted, and Cars which are available for inspection but are not inspected by the Inspection Deadline by Lessee for any reason other than the fault of Lessor shall be conclusively deemed to be accepted and subject to this Lease and to meet all requirements of this Lease. Lessor agrees to complete such items prior to delivery to Lessee. Notwithstanding acceptance by Lessee, Lessor shall remain responsible for delivery

of Cars in accordance with the terms of Section 3. Lessee shall issue and deliver to Lessor with respect to all cars accepted, or deemed accepted, a Certificate of Acceptance in the form of Exhibit B.

5. Use and Possession. Throughout the continuance of this Lease, (a) Lessee shall be entitled to possession of each Car from the Delivery Date as to such Car, (b) Lessee may use the Cars on the property or lines owned or operated by Lessee (either alone or jointly with another) or by any affiliate of Lessee, or upon lines over which the Lessee or any such affiliate shall have trackage or other operating rights, and (c) the Lessee shall be entitled to permit the use of the Cars upon connecting and other railroads in the usual interchange of traffic or over which through service may be afforded, but subject to all the terms and provisions of this Lease. Lessor, for itself, its successors and assigns, covenants that Lessee and its successors and permitted sublessees and assigns, so long as no default by Lessee has occurred or is continuing hereunder, may and shall peaceably and quietly have, hold, possess, use and enjoy the Cars as provided in this Lease without suit, molestation or interruption by Lessor, its successors and assigns, or by reason of the acts of any of them. Notwithstanding any provision herein to the contrary, Lessee agrees that the Cars shall at all times be used (i) in conformity with the Interchange Rules, (ii) in a careful and prudent manner, solely in a use, service and manner for which the Cars were designed, and (iii) in compliance with applicable laws.

6. Term. Except as otherwise provided herein with respect to early termination and Events of Loss, this Lease shall be effective as to each Car for the Initial Term of 6 years from the Commencement Date. All of the terms and provisions of this Lease Agreement shall apply and be in full force and effect with respect to Cars accepted and delivered to Lessee prior to the Commencement Date. This Lease shall remain in full force until it expires or is terminated as to all of the Cars as provided herein.

7. Rental. Until the expiration or termination of this Lease as to any Car then subject hereto, Lessee shall pay Interim Rent (if applicable) and Fixed Rent (sometimes referred to together herein as "rent" or "rental") to Lessor as follows:

(a) Interim Rent during the period from the Delivery Date as to such Car through and including the day prior to the Commencement Date.

(b) Fixed Rent commencing on the Commencement Date and terminating at the expiration of this Lease as to such Car.

8. Payment. Lessee will pay Interim Rent with respect to any Car that is delivered before the Commencement Date. Interim Rent shall accrue on and from the Delivery Date as to such Car through

and including the day prior to the Commencement Date. Lessor shall submit an invoice or invoices setting forth the Interim Rent due from Lessee and Lessee shall pay Interim Rent to Lessor within fifteen days after receipt of Lessor's invoice. Lessee shall pay Fixed Rent with respect to each Car commencing on the Commencement Date and ending on the date this Lease expires or is terminated as to such Car (except as otherwise expressly provided herein). Lessee shall pay to Lessor the Fixed Rent in arrears quarterly on the first day of the first quarter following the Commencement Date and thereafter on each succeeding quarter during the Initial Term. Lessor hereby directs Lessee to send all Interim Rent and all Fixed Rent payments to Lessor at the address provided in Section 22 hereof, or at such other place as Lessor may specify in a written notice delivered to Lessee.

9. Car Hire. Lessee shall have the right to negotiate bilateral or multilateral contracts concerning Car Hire for the Cars, to establish Car Hire rates through arbitration and to avail itself of any other rights of a car owner under the rail industry's Code of Car Hire Rules provided that such contracts, rates or rights shall apply to a Car only during such time as the Car is subject to this Lease. All Car Hire paid or allowed by railroads with respect to the Cars shall be property of Lessee.

10. Repairs and Expenses. During the period beginning on the Acceptance Date of each Car and continuing until the termination of this Lease with respect to that Car, Lessee shall perform or cause to be performed and shall pay all costs and expenses of all Repair Work without any abatement in rent or other loss, cost or expense to Lessor. Any parts, replacements or additions permanently affixed to any Car shall be accessions to such Car and title thereto shall be immediately vested in Lessor without cost or expense to Lessor.

11. Substitution of Cars. Lessor may (but shall not be obligated), at any time and from time to time but only with the prior written consent of Lessee, replace any Casualty Cars with Replacement Cars and such Replacement Cars shall be deemed to be subject to all terms and conditions of this Lease from and after acceptance thereof by Lessee in accordance with Section 4 (without regard to the Inspection Deadline). The parties shall execute amendments to this Lease and such other or further documents as may be required by either party hereto to evidence the withdrawal from and termination of this Lease with respect to Casualty Cars, or to include any Replacement Cars within the terms and provisions of this Lease and any permitted assignment hereof.

12. Abatement of Rent. Except in the case of breach of Section 5 or as set forth in Section 19, rental payments on any Car (except any Casualty Car as provided in Paragraph 18) shall be made without setoff or deduction of any nature or kind whatsoever and

shall not abate if such Car is out of service for Repair Work nor on account of any other reason whatsoever.

13. Insurance. Except as provided herein, Lessee shall, during the term of this Lease and at its expense, carry and maintain, physical damage, public liability in a minimum amount of \$1,000,000.00 and all risk insurance in respect of the Cars in such amounts and with such terms as are customary under Lessee's risk management program in respect of similar equipment owned or leased by Lessee. Lessor shall be named as additional insured on all such insurance. Notwithstanding the foregoing, Lessee may self-insure in a manner customary under Lessee's risk management program.

14. Taxes. During the period beginning on the Delivery Date of each Car and continuing until the termination of this Lease with respect to the Car, Lessee shall pay when due all sales and use tax, property and ad valorem taxes and all other taxes and duties of any nature imposed on Lessee's interest in the Cars or on the possession, rental, Car Hire, delivery, transportation or use of the Cars, together with any interest and penalties (all such taxes, duties, fees, charges, interest and penalties being hereinafter called "Impositions"); provided, however, that, except as otherwise provided, this Section shall not apply to (i) Impositions imposed by any federal, state or local government or taxing authority or any subdivision thereof which are based upon or measured by Lessor's net income (including any minimum tax) or which are in substitution for, or relieve Lessor from, and Imposition based upon or measured by Lessor's net income, (ii) business and occupation taxes, franchise taxes, gross receipts taxes and taxes upon Lessor's capital stock imposed by the United States or any state or political subdivision thereof, or (iii) interest, fines and penalties to the extent due to the acts or omissions of Lessor. Lessee shall not be required to pay any Imposition so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof and Lessor's interests in the Cars or the Lease are not impaired. Lessee will file all property or ad valorem tax returns, copies of which shall be made available to Lessor upon request and upon execution of a confidentiality agreement.

15. Liens. Lessee covenants that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become an encumbrance, cloud, lien or charge upon any of the Cars in favor of anyone claiming by, through or under the Lessee; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings and Lessor's interests in the Cars of this Lease are not impaired. Lessee's rights and interests hereunder shall be those of a lessee only and Lessee shall not acquire any ownership

or other interest in the Cars except as expressly contemplated herein.

16. Indemnities. Lessee will indemnify Lessor against any loss, liability, damage, claim, expense (including reasonable attorneys' fees and expenses of litigation) or injury incurred or suffered by or asserted against Lessor, arising at any time out of or relating to Lessee's use, lease, possession or operation of the Cars ("Claims"), excepting, however, any Claims accruing with respect to any of the Cars (i) to the extent arising from the negligence or intentional act or omission of Lessor, its agents or employees or assignees or from the nonperformance or default of such hereunder or (ii) to the extent for which a railroad or railroads shall be obligated to assume full responsibility and satisfy same. The foregoing indemnity shall survive the termination hereof.

17. Marking; Inspection. Lessee may affix to each Car its corporate name and its logo, the corporate name(s) and logo(s) of its parent corporation and affiliates and such other identification or reporting marking as are customary in Lessee's operations. Except as provided or that the Car is leased to the Lessee or to a sublessee, no lettering or marking shall be placed upon any of the Cars by Lessee except upon the written direction or consent of Lessor. Lessor may at its own cost, expense and risk inspect the Cars at reasonable times and locations, and Lessee shall, upon request of Lessor, but no more than once every year, furnish to Lessor a list of all Cars then covered by this Lease.

18. Events of Loss. In the event any Car shall be or become lost, stolen, destroyed or damaged beyond economic repair, or taken or requisitioned by condemnation or otherwise (any such event being hereinafter called an "Event of Loss"), Lessee shall, promptly and fully advise Lessor with respect thereto. Within 45 days after demand by Lessor (unless extended by good faith negotiation with insurance carriers), Lessee shall pay to Lessor the Casualty Value of such Car as of the date of such payment as determined in accordance with Exhibit C hereto (such amount being referred to herein as the "Casualty Payment"). This Lease shall terminate with respect to a Casualty Car on the date Lessor shall receive notice of an Event of Loss with respect thereto, and thereafter Lessee shall have no further liability to Lessor hereunder with respect thereto excepting rental accrued through such termination, liabilities arising or existing under Sections 10, 14, 15 and 16 hereof and the liability, if any, of Lessee to make payments pursuant to this Section. Upon payment of any amounts due from Lessee under this Section, Lessor shall, except to the extent otherwise required by a handling railroad or other indemnifying party, deliver to Lessee a bill of sale to such Casualty Car transferring ownership thereof to Lessee. Provided that Lessor has received the Casualty Payment pursuant to this section, and Lessee has no further obligations hereunder to Lessor respecting the

Casualty Car, Lessee shall be entitled to the proceeds of any recovery in respect of such Car from insurance maintained by Lessee.

19. Return of Cars. Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Section 18 hereof), Lessee shall at its sole cost and expense and as promptly as practicable, surrender possession of such Car to Lessor by delivering same to Lessor at the point of original delivery or such other location on the lines of Lessee as is mutually agreeable to Lessor and Lessee ("Return Point"). Each car shall be returned in satisfactory condition for movement in the normal interchange of rail traffic (ordinary Wear and tear within the meaning of the Interchange Rules excepted) and in need of no Repair Work for which Lessee is responsible under Section 10. Not later than 90 days prior to the termination of this Lease, Lessor and Lessee shall make a joint inspection of the Cars to determine what repair work, if any, is required and Lessee shall complete the repair work prior to termination of this Lease, subject to the same force majeure provisions as contained in Section 3(a). Lessee shall at its own expense remove Lessee's railroad markings from the Cars and place thereon such markings as may be designated by Lessor. In the event the joint inspection results in any Car's being taken out of service for any length of time, rental payments on such Car shall cease for the out of service time. Further, Lessor agrees that following the joint inspection and completion of any needed repairs, no further inspection shall be required for such Car. Until return of a Car to a Return Point, Lessee shall continue to be liable for and shall pay rental in respect of such Car at the rate being paid immediately prior to termination or expiration of this Lease, and Lessee shall in addition make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred. Upon return of a Car at a Return Point, all rent with respect to such Car shall cease to accrue. Except as provided herein, upon the return of a Car by Lessee to a Return Point, neither Lessor nor Lessee shall have any further obligations under this Lease with respect to such Car except for any claims or liabilities accruing or arising out of or relating to circumstances, events or occurrences prior to such return.

20. Default.

(a) By Lessee. If (i) Lessee shall fail to make any monetary payment required hereunder within five (5) days of written notice to Lessee that same shall have become due or (ii) Lessee shall default or fail, for a period of 20 days after receipt of written notice specifying any other default in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or (iii) if a proceeding shall have been commenced by or against Lessee under any

bankruptcy laws, Federal or State, or for the appointment of a receiver, assignee or trustee of Lessee or its property and same shall not have been dismissed within ninety (90) days, or (iv) if Lessee shall make a general assignment for the benefit of creditors (each an "Event of Default"), then and in any of said events Lessor may, in its sole discretion, terminate this Lease by written notice to such effect, and retake the Cars and thereafter recover any and all costs and expenses of termination, retaking or re-leasing, including, without limitation, reasonable attorneys' fees. Lessor may dispose of, hold, use, operate, lease to others the Cars as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee. Alternatively, Lessor shall have the right to proceed by any lawful means to enforce performance of this Agreement and to recover the costs of such action, including reasonable attorney's fees. Lessor reserves the right to bring legal action for the recovery of any deficits remaining unpaid as it may deem advisable from time to time, without being obliged to await the end of the term hereof for a final determination of the Lessee's account, and the commencement or maintenance of any one or more actions shall not bar the Lessor from bringing other or subsequent actions for further deficits pursuant to the provisions of this paragraph. Provided, however, that Lessor reserves the right at any time to cancel and terminate this lease.

(b) By Lessor. If Lessee's quiet enjoyment of any Car is disturbed by reason of the breach by Lessor, or its assignee, of its obligations hereunder and such breach is not cured within days after written notice thereof from Lessee, then, at Lessee's option, Lessee may terminate this Lease with respect to the affected Car and may pursue such remedies, recourse and damages as may be available to it in law or in equity for such breach.

21. Sublease and Assignment. The right to assign this Lease or the Cars by either party and the Lessee's right to sublease shall exist only as follows:

(a) Lessor acknowledges that the cars subject to this lease may be subleased to any affiliate of Lessee upon the same terms and conditions as contained herein, specifically including the obligations for insurance and taxes in Paragraphs 13 and 14 hereof, if applicable. Performance of these obligations by sublessee shall be considered performance by Lessee for purposes of this agreement.

(b) All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part without notice and without cost to Lessee, but must be subject to any right of Lessee to use and possession in accordance with Paragraph 5 hereof, and all other provisions of this Lease. The Cars, this Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage,

security agreement or equipment trust or other security instrument covering the Cars heretofore or hereafter created by Lessor. If Lessor shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder. Lessee shall thereafter make such payments to the designated assignee. Notwithstanding any provision to the contrary, so long as Lessee is not in default under this Lease, Lessee's rights to quiet enjoyment in the Cars will not be disturbed pursuant to any provisions or rights granted in this section. Lessee shall execute any reasonable documents requested by Lessor's lender or assignee confirming the terms and status of this Lease and the subordination stated herein.

(c) Lessee shall have the right to pledge or assign its interest in this Agreement to its senior secured creditors or any agent thereof, provided such assignment is required under Lessee's financing arrangements, or to pledge or assign its interest to its parent or any affiliated corporation. In either case, Lessee shall remain obligated to perform all its duties and obligations hereunder.

22. Notice. All notices, demands, consents or other communications required or permitted hereunder shall be in writing and shall be deemed to have been given if (i) sent by registered or certified mail, return receipt requested, postage prepaid, (ii) sent by telegraph or telex, (iii) sent by express mail or other responsible overnight delivery service or (iv) sent by telephone facsimile transmission, as follows:

To Lessor: (Correspondence)

Rail Trusts Equipment, Inc.
1661 Beach Boulevard
Jacksonville Beach, FL 32250
Attention: Keith Gibbs, President
Telecopy: (904) 246-0054

To Lessee:

Sault Ste. Marie Bridge Co.
6250 North River Road, Suite 9000
Rosemont, IL 60018
Attention: Robert Grindrod, AVP-Equipment
Management
Telecopy: (847) 318-4614

To Guarantor:

Wisconsin Central Transportation Corporation
6250 North River Road, Suite 9000
Rosemont, IL 60018
Attention: Robert Grindrod, AVP-Equipment
Management
Telecopy: (847) 318-4614

or at such other addresses as may hereafter be furnished in writing by the respective parties if given in the manner required above. Any notice, demand, consent or communication given hereunder in the manner required above shall be deemed to have been effected and received as of (i) the date hand delivered, (ii) the date three days after posting of the mail, (iii) the date of delivery to the telegraph company or sent by telex or telephone facsimile or (iv) the day after delivery to Express Mail or other responsible overnight delivery service.

23. Warranties.

(a) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, LESSEE ACKNOWLEDGES THAT LESSOR HAS NOT MADE, AND DOES NOT HERE MAKE, ANY REPRESENTATION OR WARRANTY OR COVENANT OF ANY KIND, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING LIMITATION, ANY REPRESENTATION, WARRANTY OR COVENANT WITH RESPECT TO MERCHANTABILITY, CONDITION, DESIGN, WORKMANSHIP, QUALITY, DESCRIPTION, DURABILITY, COURSE OF DEALING OR USAGE OF TRADE, FITNESS FOR A PARTICULAR PURPOSE OR SUITABILITY OF THE CARS IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSE AND USES OF LESSEE.

(b) EXCEPT AS TO BREACH BY LESSOR OR ITS ASSIGNEE OF SECTION 5 OF THIS LEASE AS TO QUIET ENJOYMENT, LESSOR SHALL NOT BE LIABLE IN ANY EVENT OR UNDER ANY CIRCUMSTANCES, IN CONTRACT, TORT OR STRICT LIABILITY, FOR ANY LOSS OF BUSINESS OR OTHER CONSEQUENTIAL, SPECIAL COLLATERAL, EXEMPLARY, INDIRECT OR INCIDENTAL DAMAGES OF ANY KIND RESULTING FROM OR RELATING TO THE MANUFACTURE, LEASE, USE, POSSESSION OR OPERATION OF THE CARS OR IN CONNECTION WITH LESSOR'S PERFORMANCE HEREUNDER OR THE BREACH OF ANY WARRANTY OR OF ANY OF THE PROVISIONS OF THIS AGREEMENT, OR ARISING BY REASON OF ANY IMPERFECTION OR DEFECT IN THE CARS.

(c) The parties intend that Lessee, as the user and operator of the Cars under this Lease, shall, so long as an Event of Default shall not have occurred and be continuing, to the extent assignable, be entitled to assert the manufacturer, builder, rebuilder or supplier of the Cars or receive the benefit of to the greatest extent permitted, all rights, benefits and claims arising under any manufacturers warranty relating to the Cars or any of them. To that end, Lessor hereby assigns to Lessee for the term of

this Lease only all of the rights and benefits of all warranties provided by any builder or rebuilder and/or suppliers with respect to the Cars or any part thereof, including the right to make claims thereunder. Lessee agrees to apply any funds received pursuant to a warranty to repair and improvement of the Cars.

24. Governing Law. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Florida.

25. Amendment. The terms of this Lease and the rights and obligations of the parties hereto may be changed or terminated only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

26. Counterparts. This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which may be evidenced by any such signed counterpart.

27. Entire Agreement. This Lease sets forth the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all previous and contemporaneous agreement, arrangements, negotiations and understandings between the parties relating to the subject matter hereof.

28. Severability - Waiver. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances shall not be affected thereby, and each provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law. Any party's failure or delay in exercising any right, power or remedy available to such party shall not constitute a waive or otherwise affect or impair its rights to the future exercise of any such right, power, or remedy. No waiver, indulgence or partial exercise by any party of any right, power, or remedy shall preclude any further exercise thereof or the exercise of any additional right, power or remedy.

29. Attorney's Fees. In the event of litigation between the parties hereto arising from this Agreement, the prevailing party shall be entitled to recover from the other party all costs incurred, including, but not limited to, reasonable attorney's fees, but only where the party prevails on all counts and issues litigated.

30. Past Due Payments. Any nonpayment of rentals or other sums due hereunder, whether during the period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount of

interest equal to _____ per annum (or if such rate may not lawfully be charged, then the _____ rate which may lawfully be charged) of such overdue sum for the period of time such sum is overdue and unpaid, provided that interest will not begin accruing until the _____ day after such sum becomes past due.

31. Recording. Upon request by Lessor, Lessee shall join in the execution of a memorandum or short form of this Lease for use in recordation under 49 U.S.C.A. Section 11303 (or any successor statute) or such other recordation as Lessor reasonably deems appropriate. Said memorandum or short form of lease may describe the parties, the Cars being leased and the term of this Lease, including any options to extend, and shall incorporate the Lease by reference.

32. Benefit. Except as otherwise provided herein, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties and (to the extent permitted in Section 21 hereof) their successors and assigns. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Section 16 hereof shall apply to and inure to the benefit of any assignee of Lessor, and if such assignee is a trustee or secured party under any indenture under which evidence of indebtedness has been issued in connection with the financing of the Cars, then also to the benefit of the holder of such evidence of indebtedness.

33. Option to Renew. If the Lessee is not in default hereunder, it shall have the privilege of extending this Lease for one three (3) year period commencing on the expiration of the initial term upon the same terms and conditions except that the fixed rent shall be decreased to _____ payable quarterly in arrears, per Car.

Lessee shall notify Lessor in writing of its intent to extend the Lease at least ninety (90) days prior to the end of the initial term stated herein.

34. Option to Purchase. In the event Lessee renews this Lease as provided in Section 33, and provided Lessee is not in default under any of the terms and conditions of this Lease, Lessor does hereby also grant to Lessee the option to purchase the Cars for the sum of _____ on the last day of the renewal lease period subject to the following terms and conditions:

(a) The option shall be exercised by notice in writing signed by Lessee and addressed to Lessor at the address at which rent is paid of this Lease.

(b) The conveyance at closing to Lessee, or its nominee, shall be by Bill of Sale. Cars are to be free and clear of all liens and encumbrances.

35. Organization; Authority. Lessor is validly created and in good standing in Florida, and has full power and authority to enter into and perform this Agreement and the transactions contemplated hereunder in accordance with its terms.

36. Lease Guaranty.

(a) Guarantor, Wisconsin Central Transportation Corporation, hereby guarantees to the Lessor the full payment and performance of all of the Lessee's indebtedness and obligations under the Lease and under all modifications, renewals and extensions of those instruments. All such indebtedness and obligations are referred to as "indebtedness," and will be payable by Guarantor to the Lessor immediately upon demand with respect to any default of the Lessee and with respect to any indebtedness arising under the Lease.

(b) Guarantor agrees to pay the Lessor's reasonable out-of-pocket costs and expenses, including but not limited to, reasonable attorneys' fees and costs, incurred in any effort to enforce the terms of this Guaranty, whether or not a lawsuit is filed.

(c) No delay or failure by the Lessor to execute any right or remedy against the Lessee or Guarantor will be construed as a waiver of that right or remedy. All remedies are cumulative. The invalidity or unenforceability of any one or more provisions of this Guaranty will not affect any other provision. The Guaranty may be amended only by an instrument in writing executed by Guarantor and Lessor. The provisions of this instrument will bind and benefit the heirs, executors, administrators, legal representatives, successors and assigns of Guarantor and the Lessor.

(d) Guarantor, pursuant to due corporate authority, has caused this Agreement to be executed by its authorized officer or other employee.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease as of the day and year first above written.

RAIL TRUSTS EQUIPMENT, INC.

By Keith A. Gibbs
Keith A. Gibbs
President

Attest: Keith A. Gibbs
Keith A. Gibbs
Secretary

"LESSOR"

SAULT STE. MARIE BRIDGE CO.

By J. F. Power
Title: EVP - CFO

Attest: Catherine D. Adama
Assistant Secretary

"LESSEE"

WISCONSIN CENTRAL TRANSPORTATION CORPORATION

By J. F. Power
Title: EVP CFO

Attest: Catherine D. Adama
ASST. SECRETARY

"GUARANTOR"

STATE OF FLORIDA)
)
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 25th day of January, 1996, by KEITH A. GIBBS as President and Secretary of RAIL TRUSTS EQUIPMENT, INC., a Florida corporation, on behalf of the corporation. He is personally known to me or who has produced a Florida driver's license as identification and who did take an oath.

NOTARY PUBLIC:

Kenneth G Salsburg
Signature

Kenneth G Salsburg
Printed Name

State of Florida at Large
My Commission Expires:

(SEAL)



KENNETH G SALSBURG
My Commission CC296530
Expires Jun. 22, 1997
Bonded by ANB
800-852-5878

STATE OF ILLINOIS)
)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 25th day of January, 1996, by T. F. Power, Jr. and Catherine D. Aldana, as EVP-CFO and Assistant Secretary, respectively, of SAULT STE. MARIE BRIDGE CO., and they are personally known to me or who have produced drivers' licenses as identification and who did take an oath.

NOTARY PUBLIC:

Genise Martinez
Signature

GENISE MARTINEZ
Printed Name

State of ILLINOIS
My Commission Expires: 7-21-97

"OFFICIAL SEAL"
GENISE MARTINEZ
Notary Public, State of Illinois
My Commission Expires July 21, 1997

(SEAL)

STATE OF ILLINOIS)
)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 25th day of January, 1996, by T. F. Power, Jr. and Catherine D. Aldana, as EVP-CFO and Assistant Secretary, respectively, of WISCONSIN CENTRAL TRANSPORTATION CORPORATION, and they are personally known to me or who have produced drivers' licenses as identification and who did take an oath.

NOTARY PUBLIC:

"OFFICIAL SEAL"
GENISE MARTINEZ
Notary Public, State of Illinois
My Commission Expires July 21, 1997

(SEAL)

Genise Martinez
Signature
GENISE MARTINEZ
Printed Name
State of ILLINOIS
My Commission Expires: 7-21-97

EXHIBIT "A"

Description of Cars

Quantity:

One hundred Thirty-Eight (138) cars

Car Description:

2,300 cubic foot, bottom discharge, 100-ton open hoppers currently bearing reporting marks within the CN 345000 series built in 1965.

EXHIBIT "B"

CERTIFICATE OF ACCEPTANCE

The undersigned, a duly authorized representative of SAULT STE. MARIE BRIDGE CO. as Lessee, for the purpose of accepting equipment that is to become subject to a Lease Agreement dated as of _____, 1996, with RAIL TRUSTS EQUIPMENT, INC., as Lessor, hereby certifies that the following described unit or units of railroad equipment (the "Cars"):

Description: 2,300 cubic foot, bottom discharge, 100-ton open hoppers currently bearing reporting marks within the CN 345000 series built in 1965.

Quantity:

Road Numbers:

Inspected at: P & LE Car Company, McKees Rocks, Pennsylvania

have been accepted on behalf of Lessee under the Lease Agreement as of the date indicated below.

The execution of this certificate shall not in any way reduce, limit, alter or affect any right the Lessee may have to pursue any claim, in warranty or otherwise, against the builder of the Cars for any defect, whether latent or patent.

Authorized Representative of
SAULT STE. MARIE BRIDGE CO.

Dated: _____, 1996

EXHIBIT "D"

LIST OF REPAIRS

Prepared for RAIL TRUSTS EQUIPMENT, INC. for the purpose of upgrading the 100-ton ore jennies to make them suitable for hauling aggregate on the SAULT STE. MARIE BRIDGE CO. These cars will haul aggregate which will range in size from 1/16th-inch pellets to 6-inch rock. Before accepted the cars must meet all of the requirements of the FRA and AAR for interchange.

1.0 AIR BRAKES

All cars will be given a single car test. Those cars failing the single car test must have the brake valves changed from AB to ABD. Trainlines must be tight and pass the leakage test. Air brake hoses must have the ferrule type fittings. Brake rods and levers must be adjusted so they do not come in contact with other parts of the car.

2.0 CENTER PLATES

If the bowl diameter is reduced by more than 1/2-inch or bowl height is reduced more than 1/4-inch body center plate must be reconditioned or replaced. At least 1/8-inch clearance between truck bolster rim and body center plate must be maintained. All center plates will be cleaned and lubricated in accordance with Rule 47 of the AAR Field Manual.

3.0 OUTLET GATES

Outlet gates must be adjusted so that they maintain a tight fit. If the outlet gate will hold sand the gate will be considered adjusted properly. The gate must operate freely during opening and closing operations. Hopper A & B slope sheet extensions will be replaced as needed to seal doors.

4.0 DRAFT COMPONENTS

Draft components (couplers, yokes, gears, etc.) must be in accordance with AAR specifications.

5.0 EXTERIORS

Any cuts, tears or other type condition in the side sheets, ends or outlet gates are to be patched with a permanent type all metal welded patch. Patches must be of the same thickness of the defective part being patched. Tar or other bituminous type 1

EXHIBIT "C"

INSURANCE & CASUALTY SCHEDULE

<u>Year</u>	<u>Value</u>
1	\$
2	
3	
4	
5	
6	
7	
8	
9	

patching, either existing or new, will not be used. Non-metallic patches existing must be removed and patched as stated above.

6.0 TOP CHORDS

Broken or cracked corner caps must be replaced with new material. Old patches will be removed and any defect on the top chord repaired prior to applying a new corner cap. Side sheet to top chord weldments which are cracked or broken must be repaired.

7.0 TRUCKS

Trucks will be gaged, disassembled, inspected, repaired and reassembled. Defective gussets below the center casing is cause for renewal. Trucks will be repaired in accordance with the standards published in the Manual of Standards and Recommended Practices Part M-214.

8.0 WHEELS

All wheels will be gaged. Defective wheels will be replaced with new curve plate wheels. Axles and roller bearings may be reconditioned. Wheels with defects listed in Rule 41 of the AAR Field Manual will be removed.

9.0 AEI TAGS

AEI tags must be applied to both sides of the cars in accordance with the instructions published by the AAR.

10. LIGHTWEIGHT

All cars will be lightweighed and the new lightweight stenciled on the car. The new lightweight will also be furnished to the Lessee.

ASSIGNMENT OF LEASE

Made as of the 28th day of February, 1996, between RAIL TRUSTS EQUIPMENT, INC., a Florida corporation, hereinafter referred to as the Assignor, and MORGAN RAIL, L.L.C., a Michigan limited liability company, hereinafter referred to as the Assignee.

NOW, THEREFORE, IT IS MUTUALLY AGREED:

1. Assignor hereby assigns, transfers and delivers, for the sum of Ten Dollars (\$10.00), all its right, title and interest under that certain lease dated the 25th day of January, 1996, for 100ton open hopper rail cars, wherein the Assignor was named as Lesser, said lease being attached hereto as Exhibit "A" and made a part hereof.

2. The Assignee accepts and assumes all rights, privileges and obligations under the lease hereinabove referred to and covenants with the Assignor to comply with all of the terms and conditions of the subject lease, and to hold Assignor harmless and indemnify it from any loss, damages, or expenses that it might suffer by reason by Assignee's default under said lease.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

WITNESSES:

Kenneth G. Salburg

Print name KENNETH G. SALBURG

N/A

Print name _____

Rebecca S. Wright

Print name Rebecca S Wright

N/A

Print name _____

RAIL TRUSTS EQUIPMENT, INC.

By: Keith A. Gibbs

Keith A. Gibbs, President

"ASSIGNOR"

MORGAN RAIL, L L C,
by: KND Rail Services, Inc., Manager

By: Roger A. Duros

Roger A. Duros, President

"ASSIGNEE"

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

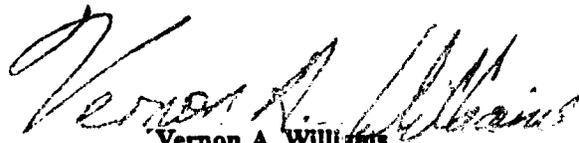
3/11/96

John A. Stalfort, Esquire
Miles & Stockbridge
10 Light Street, 9th Floor
Baltimore, MD., 21202

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 3/11/96 at 12:05PM, and assigned recordation number(s) 19966 and 19967.

Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



STATE OF MARYLAND, COUNTY OF ANNE ARUNDEL, TO WIT:

I HEREBY CERTIFY that the attached Lease Agreement is a true and complete copy of said Lease Agreement.

WITNESS my hand and seal this 8th day of March, 1996.

Deborah J. Hooper
Notary Public



My Commission Expires: 7/27/98