



Grand Trunk Western Railroad Co.

Law Department

1333 Brewery Park Blvd
Detroit, MI 48207-2699

Facsimile Line
(313) 396-6117

Writer's Direct Line
(313) 396-6357

0-080A004
16802

RECORDATION NO _____ FILED 1425

MAR 21 1990 - 10 50 AM

INTERSTATE COMMERCE COMMISSION

March 16, 1990
File: 301

Secretary
Interstate Commerce Commission
Room 2215
12th & Constitution Ave., N.W.
Washington, D.C. 20423

Dear Secretary:

Enclosed for recordation with the Interstate Commerce Commission pursuant to 49 USC §11303 are counterparts of a Lease Agreement dated as of January 16, 1990 between Waveland Investment Company and Grand Trunk Western Railroad Company.

The parties to this agreement are:

Lessor: Waveland Investment Company
3 First National Plaza
Suite 1400
Chicago, IL 60602

Lessee: Grand Trunk Western Railroad Co.
1333 Brewery Park Boulevard
Detroit, MI 48207-2699

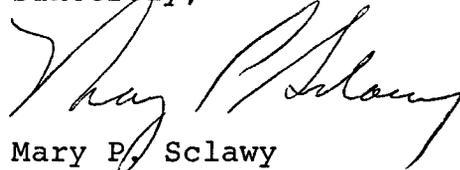
The equipment being leased consists of various railroad cars as further described in Schedule 1, attached to this letter.

Enclosed is our Check No. 1668 in the amount of \$15.00.

Interstate Commerce Commission
March 16, 1990
Page -2-

Please accept one counterpart of this document for filing, stamp the remaining with your recordation number and return them and your fee receipt to the undersigned.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary P. Sclawy".

Mary P. Sclawy
Corporate Attorney

MPS:val
/301-ICC - MPS10

Encs.

SCHEDULE 1

EQUIPMENT

REPORTING NUMBERS

A Cars

8 70-ton 50'6" boxcars

GTW 309392 - 309399

B Cars

112 70-ton 60' boxcars

In the series

GTW 383458 - 383575

DTS 5500 - 5542

Interstate Commerce Commission
Washington, D.C. 20423

3/23/90

OFFICE OF THE SECRETARY

Mary P. Sclawy
Corporate Attorney
Grand Trunk Western Railroad Co.
1333 Brewery Park Blvd
Detroit, Michigan 48207-2699

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 3/21/90 at 10:50^{am} and assigned recordation number(s). 16802

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

LEASE AGREEMENT made and entered into on January 16, 1990, (Lease) between Waveland Investment Company, 3 First National Plaza, Suite 1400, Chicago, IL 60602 (Lessor) and Grand Trunk Western Railroad Company, 1333 Brewery Park Boulevard Detroit, MI 48207-2699 (Lessee).

RECITALS

Lessee desires to lease from Lessor certain railroad cars, hereinafter specifically designated, all upon the rentals and terms and conditions set forth in this Lease.

AGREEMENT

It is Agreed:

1. Lease of Cars. Lessor agrees to lease to Lessee and Lessee agrees to and does hereby lease from Lessor that number of railroad cars, of the type, construction and such other description as is set forth in Schedule 1 attached hereto and by this reference made a part hereof and such other equipment as the parties may agree and execute a schedule for, all such equipment being called "Cars." The Cars are further described as A Cars and B Cars on Schedule 1.

2. Delivery of Cars. Lessee shall take delivery of the Cars shown on Schedule 1, as is, where is on January 16, 1990, and thereafter the Cars shall be subject to all the terms of this Lease. Lessee shall take delivery of any other Cars at the time set forth in the appropriate schedule.

3. Term. The term of this Lease shall be one year from the date of this Lease. It is the intent of the parties that Lessor shall rebuild the Cars or arrange to have the Cars rebuilt during the term of this Lease pursuant to the specifications described in Exhibit A. It is expressly agreed that Lessee's rent under this Lease shall continue during such rebuilding.

Lessee agrees to enter in a long term lease with Lessor on commercially reasonable terms and at the most attractive financing cost available to Lessee for such Cars as are rebuilt. Upon acceptance of such rebuilt Cars under the long term lease the Lessee's obligations under this lease for such Cars shall terminate without penalty.

Any Cars not rebuilt within one year of the date of this Lease shall be returned to the Lessor on the Lessee's lines.

4. Rental. Lessee shall pay to Lessor monthly in arrears as rental for each Car on Schedule 1, during the original term, from but not including January 16, 1990, the sum of \$166.67 per A Car and \$145.83 per B Car per month, pro rated for periods of less than a full month. Rental for any additional Cars shall be as set forth in the appropriate schedule.

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MAR 27 1990 10:29 AM

INDIANA COMMERCE COMMISSION

5. Title. Lessor has or will have the right to acquire title to the Cars at the time they are delivered hereunder to Lessee and Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights expressly granted to it as Lessee.

6. Maintenance. Lessee shall, during the continuance of this Lease, promptly and with due diligence, keep and maintain the Cars in good working order and repair (ordinary wear and tear excepted) and make all replacements, changes or additions to the Cars or their equipment and appliances to the extent necessary or required from time to time.

7. Taxes and Other Levies. Lessee shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes levied or assessed during the continuance of this Lease upon the Cars or the interest of the Lessee therein or in any thereof, or upon the use or operation thereof or the earnings arising therefrom, and if any levy or assessment is made against Lessor on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of Lessor therefrom (except any such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided).

8. Liens. Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect Lessor's title, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease.

9. Indemnity. Lessee agrees to indemnify Lessor and save it harmless from any charge, loss, claim, suit, expense or liability which Lessor may suffer or incur and which arises in connection with the use or operation of a Car or Cars which is subject to this Lease and without regard as to how such charge, loss, claim, suit, expense or liability arises, including without limiting the generality of the foregoing, whether it arises from latent or other defects which may or many not have been discoverable by Lessor.

10. Loss, Theft or Destruction of Cars. In the event any Car is lost or stolen or is destroyed or damaged beyond economical repair, Lessee shall promptly and fully inform Lessor of such occurrence and shall on the next rental payment date pay to Lessor the sum of \$20,000 for any A Car and \$17,500 for any B Car.

11. Governing Law-Writing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Michigan. The terms of this Lease and the rights and obligations of the parties hereto may not be changed

or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

12. Severability-Waiver. If any term or provision of this Lease or the application thereof to any persons or circumstances 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 other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of Lessor to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

13. Past Due Rental. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals or other sum due hereunder, shall result in the obligation on the part of the Lessee to pay also an amount equal to eleven percent (11%) per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of the overdue rentals for the period of time during which they are overdue.

IN WITNESS WHEREOF, the parties hereto, pursuant to due authority, have caused this instrument to be duly executed by their duly authorized representatives, all as of the date first above written and each of the undersigned signatories hereto declares pursuant to 28 USC 1746 under penalty of perjury that the foregoing is true and correct and was executed on the date indicated below its signature.

WAVELAND INVESTMENT COMPANY
an Illinois corporation

GRAND TRUNK WESTERN RAILROAD
CO., a Michigan corporation

By *[Signature]*
Its President
Date 3/1/90

By *[Signature]*
Its TREASURER
Date 3/2/90

ATTEST:
[Signature]

ATTEST:
[Signature]

/Lease Agree. - LEASES

SCHEDULE 1

EQUIPMENT

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