

REGISTRATION NO 17079  
NOV 3 1990-3 00 PM  
INTERSTATE COMMERCE COMMISSION



# Valley Bank

P.O. BOX 5000, JANESVILLE, WISCONSIN 53547-5000 PHONE (608) 754-7771

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October 31, 1990

Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one copy of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

- PRIMARY (1) Lease, dated December 1, 1989 between Railway Equipment Associates, lessor, and Wisconsin & Calumet Railroad Company, lessee, covering F7 railroad locomotive, Road number 106.
- PRIMARY (2) Lease, dated December 1, 1989 between Railway Equipment Associates, lessor, and Wisconsin & Calumet Railroad Company, lessee, covering F7 railroad locomotive, Road number 901.
- SECONDARY (3) Assignment of Rents and Leases, dated October 23, 1990 between Valley Bank, Janesville, assignee, and Railway Equipment Associates, assignor, covering the two above referenced leases. We request that this assignment be cross-referenced.
- PRIMARY (4) Chattel Security Agreement, dated October 23, 1990 between Glenn Monhart d/b/a Railway Equipment Associates, mortgagor, and Valley Bank, Janesville, mortgagee covering specific railroad cars and locomotives described herein.
- PRIMARY (5) Chattel Security Agreement, dated October 23, 1990 between Janesville & Southeastern Railway Co., mortgagor and Valley Bank, Janesville, mortgagee covering specific railroad cars and locomotives described herein.

The names and addresses of the parties referred to above are as follows:

Glenn Monhart d/b/a Railway Equipment Associates  
5627 South Washington  
Hinsdale, Illinois 60521

Wisconsin & Calumet Railroad Company  
203 South Pearl Street  
Janesville, WI 53545

Janesville & Southeastern Railway Co.  
203 South Pearl Street  
Janesville, WI 53545

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Valley Bank, Janesville  
100 N. Main St.  
Janesville, WI 53545

A fee of \$50.00 is enclosed for the filing of the four primary documents and one secondary document submitted concurrently. Please return the original and any extra copies not needed by the Commission for recordation to Valley Bank, Janesville, to the attention of Michael Donohue.

Very truly yours,

Michael J. Donohue  
Assistant Vice President  
Commercial Banking Department

MJD/mac  
Enclosures

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INTERSTATE COMMERCE COMMISSION

*Lease*  
THIS AGREEMENT, made and entered into this 1st day of December 1989, and between RAILWAY EQUIPMENT ASSOCIATES, 5627 South Washington, Hinsdale, Illinois 60521, part of the first part (hereinafter called the "Lessor"), and the Wisconsin & Calumet R.R. Co, Inc., party of the second part (hereinafter called the "lessee").

## WITNESSETH:

WHEREAS, the Lessee desires to lease locomotive Unit Road Number 901, EMD F7A for use on its' property and

WHEREAS, the Lessor is willing to lease locomotive Unit Road Number 901, EMD F7A to the Lessee for such service subject to the terms and conditions hereinafter contained.

NOW, THEREFORE, in consideration of the payments and agreements hereinafter mentioned to be made and fulfilled by the lessee, the Lessor hereby agrees to furnish and lease to Lessee Locomotive Unit Road Number 901 for the use on its' property.

1. LEASE. The lessee accepts such lease and agreement and binds itself to faithfully perform the covenants and the conditions hereof.

2. DELIVERY. Said locomotive, before delivery, shall be inspected by the lessor and lessee and statement made jointly signed as to its condition with exceptions, if any, taken thereto. If any supplies shall be furnished with said locomotives, a memorandum thereof shall be made and signed by proper representatives of the parties hereto and attached to this contract, and such supplies or their equivalent in kind, or their value in money, shall be returned or paid to the Lessor by the Lessee when said locomotive is returned to Lessor.

3. ACCEPTANCE. Said locomotive shall be accepted on the tracks at Janesville, Wisconsin and shall be returned by the Lessee to Janesville, Wisconsin upon termination of this agreement. Any reasonable and normal expense incurred by the Lessor in delivering said locomotives to the Lessee shall be paid by the Lessee.

4. PAYMENTS. Commencing with the date when said locomotive arrives Lessees tracks to be delivered to the Lessee, the Lessee agrees to pay to the Lessor for the use of said locomotive the rate of \$1,150.00 per month, for the first six (6) months (October 1989 to April 1990) and thereafter at the rate of \$3,000.00 per month for a period of thirty months (identified as April 1990 to October 1992) ~~rental payments shall be two (2) months in advance, with the third (3rd) rental payment due at beginning of second (2nd) month of rental with payments made promptly at the beginning~~

*RSX*

of each calendar month or upon receipt of bills thereof.

5. MAINTENANCE. The Lessee agrees to keep and maintain said locomotive in good and proper repaired condition, at its' own cost and expense, and said locomotive shall be returned upon the termination of this agreement to Lessor in as good condition as when received under FRA inspection, ordinary wear and tear excepted.

6. INSPECTION. The Lessor or its' authorized representative shall have the right at all times to inspect said locomotives and shall be given convenient access to the same by the Lessee in order that the Lessor may assure itself that said locomotive is being maintained and kept in a satisfactory manner. If said locomotive shall be destroyed or damaged to such an extent that in the judgement of the Lessor, it cannot be repaired and put in a serviceable condition, the Lessee hereby agrees to pay to the Lessor a fair market value of \$125,000.00.

7. DEFAULTS. If the Lessee shall make default in any of the payments herein agreed to be made by it, or in any of the obligations or agreements to be made or fulfilled by it as herein provided, or if in the judgement of the Lessor may at once take possession of said locomotive and thereupon the agreement shall cease and terminate, but such termination shall not affect the payment of any sums which may be due or become due hereunder from the Lessee to the Lessor.

8. TAXES. The Lessee, shall, in addition to the rental agreement provided above, also pay all state, local, sales, use and occupation taxes applicable to the rental of the locomotive as herein provided and it is understood and agreed that the same may be invoiced by the Lessor the Lessee along with the regular daily rental as herein above provided.

9. INSURANCES. Lessee will protect, indemnify, hold and save harmless the Lessor from and against all claims, demands, damages, suits, losses, costs, attorney fees, liability awards, judgements and expenses of whatever nature or loss or damage to property or injury or death to persons resulting in any manner directly or/indirectly from use or operation of the locomotive covered by this lease.

10. SUBLET. Lessee shall not sublet or loan the locomotive without prior express written consent of Lessor, not to be unreasonably withheld.

11. RECORDS. Lessee shall maintain a record as required

by Lessor and/or FRA of all maintenance performed by it on the locomotive and shall submit such record for examination and reproduction by Lessor.

12. TERM. This agreement shall remain in full force and effect for a period of Thirty-six (36) months, but May be cancelled by Lessee at its sole option with a thirty (30) day written notice to Lessor, upon the occurrence of either of the following events:

- a) a cessation by WICT (Lessee) of its operations or
- b) a sale of all or substantially all the stock or assets of WICT (Lessee).

13. ALTERATIONS. Without the prior written consent of Lessor, Lessee shall not make any alterations, additions or improvements to the equipment. Any permitted alterations, additions or improvements may, at Lessee's option, be removed by Lessee upon the expiration or earlier termination of this Lease if and only if such removal may be accomplished without damage to the equipment or otherwise reducing its value below that which it would have been in the event no such alterations, additions or improvements had been made.

14. OPERATION. (a) At its own expense, the Lessee shall provide fully trained and competent operators to operate the equipment during the Lease term.

(b) The Lessee warrants that the equipment shall be operated in a good and efficient manner at all times. If at any time the Lessor, in its sole discretion, concludes that the Lessee is failing to operate the equipment in a good and efficient manner, it may so notify the lessee in writing, stating the facts of such failure. Lessor agrees that it will not act unreasonably in exercising the discretion provided for in the preceding sentence. If such failure is not corrected within 5 days after the receipt of such notice, the Lessor shall have the right to declare the Lessee in default, terminate the Lease and pursue any and all remedies specified herein, or by operation of law, with respect to default or termination of the Lease.

15. INSPECTIONS. Lessor agrees to provide help in the form of labor to perform Federal Railroad Administration (FRA) inspections when ever inspection is due and Lessor is available. Materials shall be the account of the Lessee.

16. COSTS. Lessee shall pay all expenses incurred directly with its use and operation of the locomotive, without recourse to or compensation from Lessor, including,

but not limited to the following:

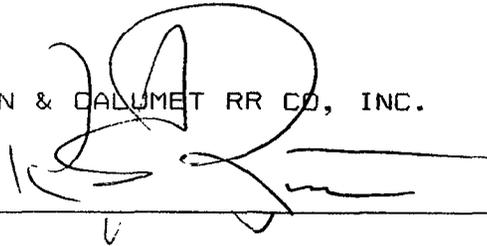
(a) All costs and expenses incurred in removing, moving, storing and returning the Locomotive to and from the location specified above for the delivery by the Lessor.

(b) Cost of fuel, sand, and lubricating oils.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate the day and year shown.

WISCONSIN & CALUMET RR CO, INC.

BY: \_\_\_\_\_



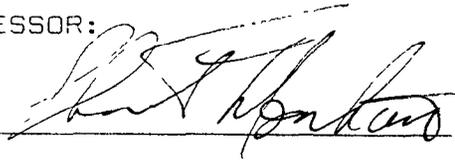
WITNESS:

BY: \_\_\_\_\_



FOR LESSOR:

BY: \_\_\_\_\_



WITNESS:

BY: \_\_\_\_\_



I hereby certify that I have compared this copy with the original document and have found the copy to be complete and identical in all respects to the original.

*Terri L. Miland*

\_\_\_\_\_  
Terri L. Miland  
Notary Public  
State of Wisconsin  
County of Rock

10/23/90

\_\_\_\_\_  
Date