



October 20, 1993

0100037003

Secretary, Interstate Commerce Commission
12th and Constitution Avenue NW
Room 2303
Washington, D.C. 20423

18450
NOV 8 1993 3 42 PM
INTERSTATE COMMERCE COMMISSION

Dear Secretary:

I have enclosed an original and one certified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a railroad car lease agreement, a primary document, dated the 24th day of June, 1993.

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

Lessor: ITG, Inc.
106 North Main, Suite 200
P. O. Box 1777
Victoria, Texas 77901

Lessee: Peoria and Pekin Union Railway
101 Wesley Road
Creve Coeur, Illinois 61611

RECEIVED
OFFICE OF THE
SECRETARY
NOV 8 3 34 PM '93
LICENSING BRANCH

A description of the equipment covered by the document is as follows: 20 77-ton open top hopper railway cars, as more particularly described on the list attached hereto as Exhibit A.

A fee of \$17.00 is enclosed. Please return the original and any extra copies not needed by the commission for recordation to Craig G. Friemel at First Victoria National Bank, P. O. Box 1338, Victoria, Texas 77902.

A short summary of the document to appear in the index follows: Railroad Car Lease between ITG, Inc., 106 North Main, Suite 200, P. O. Box 1777, Victoria, Texas 77901, and Peoria and Pekin Union Railway, 101 Wesley Road, Creve Coeur, Illinois 61611, dated June 24, 1993, and covering 20 77-ton open top hopper railway cars, initial numbers PPU 10 through 29.

One DeLeon Plaza
P O Box 1338
Victoria, Texas 77902
512/573-6321

Colony Creek Branch
1206 N John Stockbauer
Victoria, Texas 77901
512/573-1088

Secretary, Interstate Commerce Commission
Page 2
October 20, 1993

Very truly yours,

FIRST VICTORIA NATIONAL BANK

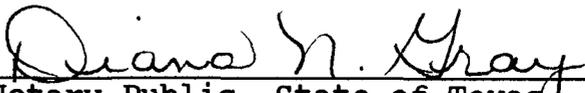


By: Craig G. Friemel
Its Vice President

STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on October 22nd,
1993, by Craig G. Friemel, as Vice President of First Victoria
National Bank, on behalf of said corporation.



Notary Public, State of Texas

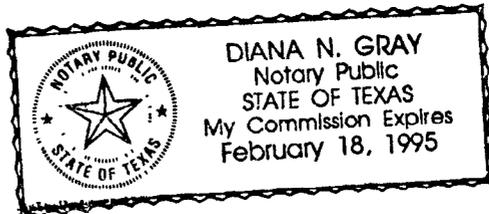


EXHIBIT A

Car Initial Numbers: 10 through 29
Car Lessee's Marks: PPU
Class of Car: K280/HMA
Number of Cars: Twenty (20)
Capacity of Cars: 77-ton 1000 cu. ft.

Prior to purchase by Debtor, these cars were marked as follows:

LSI 26074	LSI 25597
LSI 26509	LSI 26568
LSI 25801	LSI 26046
LSI 25610	LSI 25510
LSI 25564	LSI 25590
LSI 26017	LSI 26135
LSI 26108	LSI 26607
LSI 26550	LSI 26894
LSI 26534	LSI 25500
LSI 25735	LSI 26663

Interstate Commerce Commission
Washington, D.C. 20423

11/10/93

OFFICE OF THE SECRETARY

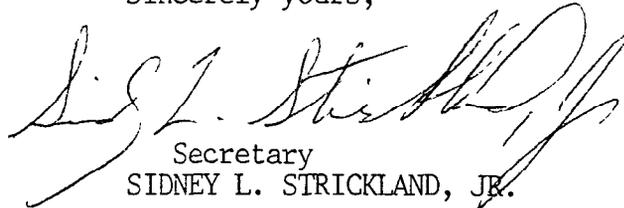
Craig G. Friemel
Vice President
Victoria National Bank
One DeLeon Plaza
P.O.Box 1338
Victoria , Texas 77902

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 **11/8/93** at **3:40pm**, and assigned recordation number(s).

18459 & 18460

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

RAILROAD CAR LEASE AGREEMENT

NOV 8 1993 3:42 PM
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FILED
INTERSTATE COMMERCE COMMISSION

This agreement, No. ITG-2371, made and entered into June 24, 1993, by and between ITG, Inc., a Texas Corporation with its principle office and place of business in Victoria, Texas (herein called "LESSOR") and the Peoria and Pekin Union Railway, an Illinois Corporation with its principle office and place of business in Creve Coeur, Illinois (herein called "LESSEE").

WITNESSETH:

Description of Leased Cars

1. Lessor agrees to furnish to Lessee, and Lessee agrees to rent from Lessor, the railroad cars shown on Rider No. 01, attached hereto and made a part of hereof, cars, and such additional Riders as may be added to hereto from time to time by mutual agreement of the parties and signed by each of their duly authorized representatives. Each Rider shall set forth a brief description of the car, or cars, car initials and numbers, the Association of American Railroads ("AAR"), or Interstate Commerce Commission ("ICC") specifications, cubic capacity, truck capacity, delivery point, rental term throughout which the cars shall remain in

Lessee's service, and other pertinent information that may be desired by both parties.

Use of Cars: 2. Lessee agrees to use said cars under the following restrictions:

(a) The cars will be delivered to Lessee on the Iowa Interstate Railroad, consigned freight collect to Lessee in Peoria, Illinois and Lessee agrees such cars shall be used and operated at all times in compliance with all lawful acts, rules, regulations and orders issued by the railroads on which the cars are operated and government agencies.

(b) At the expiration or termination of the rental term of the particular Rider applicable to each such car described in such Rider, Lessee shall cause said cars to be returned to Lessor at any point so designated by Lessor on Lessee's lines.

(c) At the request of the Lessor, the Lessee agrees to provide the Lessor up to 120 days free storage upon expiration of the initial lease term or extensions thereof.

(d) Lessor will cause all cars to be delivered to Lessee in serviceable condition and ready for Lessee's intended service. The cars

covered hereby shall be returned to Lessor in serviceable condition except for ordinary wear and tear. Any dispute on car condition will be resolved through binding arbitration. Each party shall choose an independent arbitrator who shall be a qualified rail car inspector. If these arbitrators fail to agree, they shall choose a third arbitrator who shall be mutually agreeable to both parties. The cost of any arbitrator shall be equally borne by Lessor and Lessee.

(e) Lessee agrees the cars will not be altered or modified and no advertising or logos shall be applied to any such car without the approval of Lessor.

(f) Lessee agrees the cars are intended only for use in transporting the following commodity: Slag and/or Ballast

The use of these cars for any other purpose is not permitted without prior written approval of Lessor, which will not be unreasonably withheld.

(g) Lessee agrees that the cars will be operated only within the confines of the United States.

Rent:

3. Lessee agrees to pay Lessor one month in advance the monthly rental as stated in the applicable Rider for each particular group of cars. Rental will commence on the first day of the first full month the cars are in service. The first and last monthly payments shall be prorated to include any partial months that the cars may be in service. Such rental shall be paid monthly to Lessor in Victoria, Texas or in such other place as Lessor may hereafter direct in writing.

Term of Lease:

4. The term of this Lease shall commence the date all cars are delivered to the Lessee and terminate no earlier than one hundred twenty (120) months or, as stated in the applicable Rider for each particular group of cars from such date, unless this contract is extended or renewed in writing by mutual agreement, or a new contract is executed.

Repair and Maintenance:

5. After delivery of cars to Lessee, Lessee agrees to maintain the cars, and to pay all costs of such maintenance and repair as the cars may from time to time require including all costs of repairing damages while such cars are in the possession of Lessee, shipper, consignee, or

agent. Lessee shall make all contractual arrangements for all repairs notwithstanding who is responsible for the costs thereof. Lessee shall notify Lessor within three (3) full business days following knowledge of any wreck damage requiring repairs to any of the cars. However, the rental shall not abate during the period repairs are being made.

If any car, while under the control of the Lessee, is completely destroyed or, in the opinion of Lessee and Lessor, such car's physical condition is such that it cannot be economically repaired to be operated in railroad service, Lessee will pay Lessor full settlement value. The term "settlement value" as used herein shall mean the valuation of such cars as set forth in the Rider No. 02 attached hereto and made a part hereof or, such future Riders to be issued applicable for additional groups of cars. Upon payment of "settlement value" this lease will terminate with respect to that car. If the parties are unable to agree regarding the repair or regarding the destruction, they shall utilize the same procedures set forth in Paragraph 2(d) hereof regarding arbitration by independent

railroad inspectors. However, the rental shall not abate during the resolution or settlement of any such dispute or any repairs being made.

Indemnity:

6. Lessee will indemnify Lessor against any loss, damage, claim, expense (including attorneys' fees and expenses of litigation) or injury imposed on, incurred by, or asserted against Lessor arising directly or indirectly out of Lessee's, its consignee's agents, or shippers' use, lease possession or operation of the cars during the term of the Lease, or by the contents of such cars, however occurring, except any loss, liability, claim, damage or expense arising from latent defects or pay any loss, liability, claim, damage or expenses for which a railroad or railroads have assumed full responsibility and have satisfied such responsibility. All indemnities contained in the Agreement shall survive the termination hereof, however same shall occur for a period of one year. Nothing herein shall be construed as an indemnification against Lessor's negligence.

Lessor will not enter into any settlements for personal injury or property

damage claims with any third party without the Lessee having the opportunity to approve the reasonableness of the settlement.

Insurance:

7. Lessee shall, at its own cost and expense, at all times, maintain and furnish Lessor with evidence of insurance as follows:

(a) General Liability Insurance in the minimum amount of One Million Dollars (\$1,000,000.00) covering any loss or claim for damage arising out of or incurred in connection with the use, maintenance or operation of the cars covered by this Agreement.

(b) All risk insurance covering physical damage to the cars to the full amount of the value of the car according to Rider No. 02. Lessee will effect physical loss insurance coverage prior to the receipt of the cars for service, or so self insure the cars at the indicated value.

All such insurance shall name Lessor or any other lien holder designated by Lessor as additional insured. Lessee's obligation to maintain insurance with respect to each car shall continue until the lease

thereof is terminated and, if such car is required hereunder to be returned to Lessor, until such return. Lessee shall cooperate and, to the extent possible, cause insurance companies providing such insurance to cooperate with Lessor in naming Lessor and its bank as additional insured with respect to the cars.

**Additional
Charges by
Railroad:**

8. All freight or demurrage or other charges made by a Railroad on account of the cars during the term of this lease pursuant to Paragraph 2(a&b) hereof, shall be paid by Lessee.

**Right of
Entry:**

9. Lessor shall have the same rights as Lessee to enter the property where the cars are used or stored, at Lessor's own cost and during normal business hours, for the purpose of making car inspections. Lessor will provide Lessee 48 hours advance notice for a planned inspection.

**Payment of
Taxes:**

10. During the term of the Agreement, Lessee shall promptly pay, when due, use, rental, and excise taxes, assessment and other governmental charges, whatsoever, whether payable by Lessor or Lessee, on or relating to the use

of the cars leased hereunder prorated to the actual time covered by this lease or extensions thereof. If for any reason Lessee fails to make full and prompt payment of any such charges, Lessor may, at its option, pay such charges and charge the amount so paid to Lessee. Any expense incurred by the Lessee with respect to contesting the applicability of such rental or use tax to this Agreement shall be payable by Lessee. Lessor specifically warrants and represents that as of the date of delivery of each and every car, all sales, use, rental and excise taxes, personal property taxes, assessments and other governmental charges due on such cars have been paid in full and Lessor agrees to indemnify and hold harmless Lessee from any obligations for such taxes.

Lessor is responsible for paying taxes on income generated from the lease of the cars.

Liens:

11. Lessee shall not cause or allow any encumbrances or liens to attach to the cars or otherwise permit a cloud on Lessor's title thereto.

Marking of Cars:

12. Lessee shall keep the cars, subject to lease, free of any markings which might be

interpreted as a claim of ownership.

Remedies:

13. Upon the happening of any of the events of default as hereinafter defined, the Lessor or its assignee may then, or at any time thereafter, without notice, take possession of the car and any accessions thereto, wherever same may be found, and remove, keep or dispose of the same and the balance of unpaid rentals shall become due and payable in full. To the extent that any car is re-leased, Lessee shall only be responsible for paying any net rental deficiency during the remaining term of this lease including the cost incurred in obtaining such re-lease. If any step is taken by legal action or otherwise by Lessor to recover possession of equipment or otherwise enforce this Agreement or to collect monies due hereunder, Lessee shall pay Lessor the equivalent of the monies so expended or charges thus incurred in such behalf including all reasonable costs and attorneys fees.

Default:

14. The happening of any of the following events shall be considered an "event of default":

- (a) Nonpayment by Lessee, within ten days after written notice from Lessor

demanding payment thereof.

(b) Failure of Lessee to comply with, or perform, any of the other material terms and conditions of the Agreement within thirty (30) days after receipt of written notice from Lessor demanding compliance therewith and performance thereof.

(c) The appointment of a receiver or trustee in bankruptcy for Lessee or any of its property and the failure by such receiver or trustee to adopt and assume and agree to perform the obligations of Lessee hereunder within thirty (30) days after such appointment.

Filing: 15. Lessor intends to cause this lease to be filed and recorded with the ICC pursuant to 49 U.S.C. Section 1103 of the Interstate Commerce Commission Act. Lessee shall from time to time do and perform any other act, and execute, acknowledge, deliver, any and all further instruments required by law, or reasonably requested by Lessor, for the purpose of protecting its title and rights, or for the purpose of carrying out the intention of this Agreement, and Lessee will promptly furnish

to Lessor certificates or other evidences of all such filing, registering, and recording in form satisfactory to Lessor.

**Inspection
of Cars:**

16. Lessee shall inspect the cars and provide written notice of Lessee's acceptance of the cars. Said acceptance by the Lessee shall be conclusive evidence (i) of the fit and suitable condition of each car for the purpose of transporting slag and/or ballast then and thereafter loaded therein, and (ii) that they are the cars described in the Riders. At termination of Lease, a joint inspection will be made; and acceptance thereof by the Lessor shall be conclusive evidence (i) of the fit and suitable condition of such car as required by Paragraph 2(d) hereof; and (ii) that they are the cars described in the Riders.

**Car
Monitoring:**

17. Lessor will have the right to obtain information from Lessee concerning the location and movement of the cars subject to this Agreement.

Notice:

18. All notices provided for herein shall be given in writing and telefaxed, or sent by registered or certified mail, return receipt requested. The effective date of the notice

shall be the date of the telefax transmittal receipt, or date of delivery shown on the return receipt. The respective addresses for notice shall be the addresses of the parties given in writing at the execution of the Agreement. Such addresses may be changed by either party giving written notice thereof to the other.

All telefaxed correspondence must request confirmation from the receiving party confirming legible receipt within one working day in order to qualify as "being delivered".

**Governing
Law:**

19. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Texas, in which state it has been executed and delivered.

**Option to
Extend:**

20. Lessee shall have the right to extend this lease upon the completion of the initial term as presented in Rider No. 03 as attached hereto.

Assignment:

21. Lessor shall have the right at any time to sell, assign, pledge or transfer all or any part of this lease and/or the equipment covered thereby. Lessee shall not have the right to assign its interest in this lease or

sub-lease the equipment covered thereby without the prior written consent of Lessor. Such consent will not be unreasonably withheld.

**Entire
Agreement:**

22. No other representations, warranties, promises, guarantees, or agreements, oral or written, expressed or implied, have been made by either party hereto with respect to this Agreement, except as expressly provided herein or executed by Letter Agreement contemporaneously herewith. This Agreement constitutes the entire Agreement between the parties hereto with respect to the leasing of the rail cars. Any change or modification of this Agreement must be in writing and signed by both parties hereto.

Waiver:

23. Failure of either Party to require performance of any provision of this Agreement shall not affect either Party's right to require full performance thereof at any time thereafter, and the waiver by either party of a breach of any provisions hereof shall not constitute a waiver of a similar breach in the future or of any other breach or nullify the effectiveness of such provision.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers and duly attested, as to the date first above written.

(Corporate Seal)

I T G, Inc. (LESSOR)

ATTEST:

BY: Comie Perkins
Its: Secretary

BY: [Signature]
Its: President

Address:
106 N. Main, Suite #200
P. O. Box 1777
Victoria, Texas 77902

(Corporate Seal)

Peoria and Pekin Union
Railway (LESSEE)

ATTEST:

BY: Paul O. F. Elvonen
Its: SECRETARY

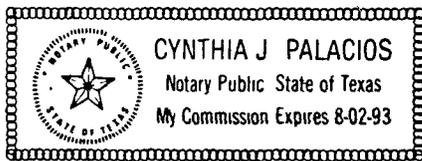
BY: [Signature]
Its: President

Address:
101 Wesley Road
Creve Coeur, Illinois 61611

STATE OF (TEXAS

CITY OF (VICTORIA

On this 24 day of June, 1993, before me personally appeared Michael Sagebiel, to me personally known, who being by me duly sworn, says that he is the President of ITG, Inc., that the foregoing instrument was signed on behalf of said corporation, and he acknowledge that the execution of said instrument was his free act and deed.



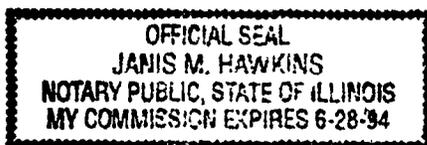
Cynthia J Palacios
NOTARY PUBLIC, STATE OF TEXAS

My Commission expires:

STATE OF (ILLINOIS)

COUNTY OF (TAZEWELL)

On this 2ND day of July, 1993, before me personally appeared Charles E Hellums to me personally known, who being by me duly sworn, says that he is President of Peoria & Pekin Union Ry Co. that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Janis M Hawkins
NOTARY PUBLIC

My commission expires:

RIDER NO. 04
To Master Agreement No. ITG-2371

It is hereby agreed that effective September 22, 1993 this Rider shall become a part of Master Car Agreement No. ITG-2371, between Peoria and Pekin Union Railway, and ITG, INC., dated June 24, 1993, and the cars described herein shall be placed in service subject to the terms set forth below:

CAR INITIAL NUMBERS: 10 thru 29

LESSEE'S MARKS: PPU

CLASS OF CAR: K280/HMA

NUMBER OF CARS: Twenty (20)

CAPACITY OF CARS: 77-tons 1000 cu. ft.

COMMODITY LIMITATION: Slag

DELIVERY POINT: CNW/Esconiba, Michigan

TERMS OF RENT: \$350.00 Per Car Per Month for the first 24 months, \$182.50 Per Car Per Month thereafter, Payable monthly in advance as provided for in Paragraphs 3 & 4 of Lease ITG-2371

TERM: For a minimum of one hundred twenty (120) months as defined in Paragraphs 3 & 4 of Lease ITG-2371. Lessee shall have the option to terminate the Lease upon written notice to Lessor sixty (60) days prior to the expiration of each year's term.

(Corporate Seal)

ATTEST:

By: Sally Janca
Its: Secretary

(Corporate Seal)

By: Paul O. Elvostein
Its: SECRETARY

ITG, INC.

By: Mustaf Saadiah
Its: President

Peoria and Pekin Union Railway

By: [Signature]
Its: President

RIDER NO. 05

To Master Agreement No. ITG-2371

It is hereby agreed that effective September 22, 1993 this Rider shall become a part of Master Car Agreement No. ITG-2371, between Peoria and Pekin Union Railway and ITG, Inc., dated June 24, 1993. In the event the car(s) are damaged or destroyed by Peoria and Pekin Union Railway, its material suppliers and the car(s) is beyond economical repair, the settlement value for such destroyed car(s) payable to ITG, Inc., with Peoria and Pekin Union Railway, to retain the destroyed unit for their disposition is:

INSURANCE & CASUALTY SCHEDULE

PPU 10 - 29 Series

<u>YEAR</u>	<u>VALUE</u>
1 thru 5	\$15,000.00
6 thru 10	\$10,000.00
thereafter	\$ 5,000.00

(Corporate Seal)

ATTEST:

By: Sally Ganca
Its: ~~Asst.~~ Secretary

I T G, INC.

By: Michael S. [Signature]
Its: President

(Corporate Seal)

By: Carlo Feltenstein
Its: SECRETARY

Peoria and Pekin Union Railway

By: [Signature]
Its: President

RIDER NO. 06

To Master Agreement No. ITG-2371

It is hereby agreed that effective September 22, 1993 Lessee shall have the option to extend this lease for multiple one-year (1-year) periods, by notifying Lessor in writing at least ninety (90) days prior to the original term or within ninety (90) days prior to the end of each one (1) year extension thereof. Any such extensions will be governed by all conditions of Lease ITG-2371 as dated June 24, 1993.

EXTENSION RENTALS

Year, 11, and thereafter \$182.50 per car per month

(Corporate Seal)

ATTEST:

By: Sally Janca
Its: ~~Asst~~ Secretary

I T G, INC.
By: Michael S. [Signature]
Its: President

(Corporate Seal)

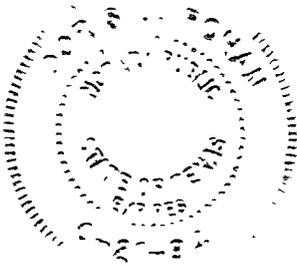
By: Paul O. [Signature]
Its: SECRETARY

Peoria and Pekin Union Railway
By: [Signature]
Its: President

THE STATE OF TEXAS §

COUNTY OF VICTORIA § KNOW ALL MEN BY THESE PRESENTS:

I, the undersigned Notary Public, have compared the foregoing copy of the Railroad Car Lease Agreement with the original Railroad Car Lease Agreement and have found the copy to be complete and identical in all respects to the original document.



Doris J. Rohan
Notary Public, State of Texas

Doris J. Rohan