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RECORDATION NO. 24417 FILED

April 21, 2003

APR 21 '03 2-15 PM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams
Secretary
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W., Room 714
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one executed original and two photostatic copies of the Memorandum of Assignment of Lease, dated as of April 2, 2003 (the "Memorandum") between Rail Logistics, LC, as Transferor, and Railcar Custom Leasing, LLC, as Transferee, which Memorandum is a primary document as defined in the Commission's Rules for the Recordation of Documents. The Memorandum relates to that certain Rail Logistics LC Master Car Leasing Agreement and Service Contract #03-N1222 dated February 28, 2003, and Rider #02-F1222.R1 also dated February 28, 2003 (the "Lease"), between Rail Logistics, LC, as lessor, and Pondview Recycling, Inc., as lessee.

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

Transferor: Rail Logistics, LC
6400 W. 110th Street
Suite 100
Overland Park, KS 66211

Transferee: Railcar Custom Leasing, LLC
980 N. Michigan Ave
Suite 1000
Chicago, IL 60611

Mr. Vernon A. Williams
April 21, 2003
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A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 to the Memorandum.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return two stamped photostatic copies of the Memorandum and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Primary Document to Be Recorded

Memorandum of Assignment of Lease, dated as of April 2, 2003, between Rail Logistics, LC, as Transferor, and Railcar Custom Leasing, LLC, as Transferee, covering the 12 woodchip cars described therein.

Very truly yours,


Susan G. Lichtenfeld

w/encl.

MEMORANDUM OF ASSIGNMENT OF LEASE

THIS MEMORANDUM OF ASSIGNMENT OF LEASE dated as of this 2nd day of April, 2003, is made by RAIL LOGISTICS, LC, a Kansas limited liability company, with an address at 6400 W. 110th Street, Suite 100, Overland Park, KS 66211 (the "Transferor"), and RAILCAR CUSTOM LEASING, LLC, a Tennessee limited liability company, with an address at 980 N. Michigan Avenue, Suite 1000, Chicago, IL 60611 (the "Transferee" and, together with the Transferor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, Transferor, as assignor, and Transferee, as assignee, previously entered into the Assignment of Lease dated as of April 2, 2003 (the "Assignment of Lease"), pursuant to which Transferor assigned to Transferee all rents, issues and profits from Transferor's leasehold interests in the Lease (attached hereto as Exhibit A) between Transferor, as lessor, and Pondview Recycling, Inc., as lessee, relating to the lease of 12 woodchip cars identified on Schedule 1 attached hereto (the "Equipment").

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid assignment, and the respective interests therein of the Parties.

NOW, THEREFORE, to accomplish the foregoing, the Parties are filing this Memorandum of Assignment of Lease with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301(a).

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum of Assignment of Lease to be executed by a duly authorized officer as of the day and year first above written.

RAIL LOGISTICS, LC

By: Michael Lerner
Name: NICHAE LORNER
Title: Managing Member

RAILCAR CUSTOM LEASING, LLC

By: Dennis L. Amick
Name: Dennis L. Amick
Title: President

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SURFACE TRANSPORTATION BOARD

STATE OF KANSAS)
)SS
COUNTY OF Johanson)

On this 17th day of April, 2003, before me personally appears Michael Lerner, to me personally known, who by me duly sworn, says that he/she is the Member of RAIL LOGISTICS, LC (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Christophe P. Mrochowski
Notary Public

[SEAL]

My Commission expires: May 22, 2003

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

On this 18th day of April, 2003 before me personally appears Dennis Amick, to me personally known, who by me duly sworn, says that he/she is the President of RAILCAR CUSTOM LEASING, LLC (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Glenda S. Kovac
Notary Public



My Commission expires

EXHIBIT A

Master Car Leasing Agreement and Service Contract #03-N1222 dated February 28, 2003
between Rail Logistics, LC, as lessor, and Pondview Recycling, Inc. as lessee

Rider #02-F1222.R1 dated February 28, 2003 between Rail Logistics, LC and Pondview
Recycling, Inc.

[attached]

RAIL LOGISTICS LLC
RIDER #02-F1222.R1

This Rider shall become a part of that certain Master Railcar Lease and Service Contract dated February 28, 2003, between Rail Logistics LLC Lessor, and PONDVIEW RECYCLING, INC., Lessee.

NUMBER OF CARS COVERED BY RIDER: Twelve (12) see table below.

TERM OF RIDER: Sixty (60) Months, Effective date of Rider being upon acceptance or April 1st, 2003, whichever is sooner.

CAR DESCRIPTION SERVICE: Construction and Demolition Debris

CAR DESCRIPTION: Woodchip Car: Twelve (12) of the Following.

Car #s	Car Type	Capacity	Monthly Rate
MCLX 5101-5112	Woodchip	7400 cu.	\$ [REDACTED]

1. Empty Freight charges shall be advanced by Lessor.
2. Lessee will provide Lessor with a Certificate of Liability Insurance showing Lessor as additional insured for each policy with policy limits not less than \$1,000,000 each occurrence and \$2,000,000 in the aggregate, and Certificate of Property and Casualty Insurance showing Lessor as additional insured for each policy, in the amount of \$ [REDACTED] per car in the event such car should be destroyed or rendered unusable.
3. Lessee acknowledges that Lessor has specifically advised Lessee that the sides and/or ends of the above specified cars may need additional reinforcement, including but not limited to, exterior metal bracing, etc., and damage to ends and/or sides or topcords, resulting from failure of sides etc., shall be for the account of Lessee. Lessee further agrees not to crush or process C&D material while material is loaded in the cars.
4. Rental shall be due for the Cars as of the date of arrival to point or points designated by Lessee. Rental payments shall continue until the end of the term or any continuations or renewals thereof, or until Cars are cleaned and forwarded to the point designated by Lessor, whichever is later.
5. Cars shall be returned empty, cleaned and free of all commodities, and in the same good order and condition as when Lessor delivered the car to Lessee. Lessee shall pay all costs for cleaning and associated charges to make cars free of all commodities.

Rail Logistics, LLC
#02-F1204.R1

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6. Except as expressly modified hereby, all terms and conditions of the Master Lease shall remain in full force and effect.

LESSEE: PONDVIEW RECYCLING, INC.

LESSOR: RAIL LOGISTICS LC

By: Kenneth J. Foley
Title: RA
Date: 2-28-03

By: Michael Kerner
Title: Manager
Date: 3/3/03

***RAIL LOGISTICS LC, MASTER CAR LEASING AGREEMENT
AND SERVICE CONTRACT #03-N1222***

THIS AGREEMENT and the Riders attached hereto dated the 28 day of February, 2003, by and between Rail Logistics LC, a Kansas limited liability company, having its principal office at 6400 W. 110th St., Suite 100, Overland Park, Kansas, 66211, hereinafter called "LESSOR", and PONDVIEW RECYCLING, INC. a Rhode Island, corporation, having its principal office at 1 Dexter Rd, Providence, RI 02914, hereinafter called "LESSEE".

WITNESSETH:

1. Lessor agrees to furnish and lease to Lessee, and Lessee agrees to accept and use upon the terms and conditions herein set forth, the cars covered by the riders attached hereto and made a part hereof and such additional riders as may be added hereto from time to time by written agreement of the parties, and any and all other cars delivered to and accepted by Lessee. Each such rider shall set forth the number of cars, the specific commodity to be carried therein or thereon, the rental/lease rate, term of use, car numbers, and any other pertinent information that may be desired by both parties. All cars leased pursuant to such riders, otherwise delivered to and accepted by Lessee, are subject to the terms of the Agreement.
2. Lessor agrees to deliver the cars to Lessee at a point or points designated by Lessee. Lessor's obligation as to such delivery shall be subject to all delays resulting from causes beyond its control. The obligation of Lessor to furnish the cars shall be subject to all causes reasonably beyond the control of Lessor, including, but not limited to delays caused by fire, labor difficulties, delays of carriers and materialmen, or governmental authority, and Lessor shall not be liable for any damages by reasons of any such delay. Lessee agrees that in the event any cars are used outside of continental United States, Lessee shall reimburse Lessor for any customs duties, taxes, investment tax credit reductions or other expenses resulting from such use.
3. **THIS IS A NET LEASE.** Lessee agrees to preserve the cars in good condition. At its sole expense, Lessee agrees to pay for all repair and maintenance of cars, including running repairs, and to repair doors, top cords, ladders, hand brakes, sides, ends, appliances or appurtenances thereto, including but not limited to, all load access items, which shall be damaged or destroyed during loading, unloading or transit, either as a result of the acts of Lessee or any of Lessee's employees, agents, or customers or from any commodity or other material loaded or unloaded therein or thereon.
4. Lessee, at its own expense, shall either replace or reimburse Lessor at Lessor's option for the cost of replacing any appliance or removable part if destroyed, lost, removed or stolen, unless the railroads transporting the cars have assumed full responsibility for such loss or damage, or unless such loss or damage results from the negligence or omission of Lessor, its agents or employees.
5. Lessee shall promptly notify Lessor upon receipt by Lessee of knowledge of any damage to any of the cars. In the event any car is totally damaged or destroyed, the rental with respect

to such car shall terminate upon date of destruction, and in the event any car is reported to be bad ordered and Lessor elects to permanently remove such car from Lessee's service rather than have such car taken to a car shop for repairs, the rental with respect to such car shall terminate upon the date that such car was bad ordered. Lessor shall have the right, but shall not be obligated, to substitute for any such car another car of the same type and capacity and the rental with respect to such substituted car shall commence upon delivery of such substituted car to Lessee.

6. Lessor shall not be liable for any loss of, (except to the extent such loss or damage is caused by Lessor), or damage to commodities, or any part thereof, loaded or shipped in or on the cars, and Lessee agrees to assume financial responsibility for, to indemnify Lessor against, and to save it harmless from any such loss or damage.
7. Lessee agrees to pay the rental charges with respect to each of the cars from the date of **ARRIVAL** thereof and until such car is returned cleaned and accepted by Lessor at Lessors' specified destination. "Date of Arrival" for, purposes of this contract, is the date the delivering railroad reports actual placement of the car at Lessee's facility. Subject to the provisions of paragraph 8, below, such rental charges shall be paid to Lessor at its principal office, 6400 W. 110th St., Suite 100, Overland Park, KS 66211, **IN ADVANCE ON THE FIRST DAY OF THE CALENDAR MONTH**, except that Lessee shall pay in advance upon the **ARRIVAL** or **ACCEPTANCE** of each car, respectively, (but in no event later than **April 1, 2003**) for the period from the date of **ARRIVAL** and the first day of the succeeding month. Any rental or other sums payable to Lessor under this Agreement and not paid when due shall thereafter bear interest at a rate of 1-1/2% per month or 18% per annum.
8. Each of the cars shall be provided to Lessee "as is" and subject to Lessee's visual inspection upon delivery for mechanical defects. Absent mechanical defects, cars shall be considered accepted. **Loading constitutes acceptance. Failure to report in writing any mechanical defect in the car within ten (10) days after delivery of the car or April 1, 2003 whichever is later, or the loading of each such car, provided such loading occurs before April 1st, 2003, shall constitute acceptance thereof by Lessee and shall be conclusive acceptance of the fit condition thereof for the purpose of transporting the commodities then and thereafter loading therein or thereon.** If a defect is found during this visual inspection, Lessee shall not load the defective car and shall notify Lessor in writing as soon as is reasonably possible so that the car can be removed from Lessee's possession, repaired and/or replaced at the expense of Lessor. If a defect is discovered after a car has been loaded, Lessee agrees to empty the car and remove any residual waste or material prior to contacting Lessor for repair of the defect.
9. Lessee agrees to keep records pertaining to the movement of the cars, and Lessee agrees to promptly furnish Lessor, if requested by Lessor, with complete reports of the car movements, upon request, including dates received, loaded and shipped, commodity, destination and full junction routing, and all information which Lessee may receive from railroad companies or other sources. No mileage credits are earned during the term of this lease unless specifically agreed to in writing.

10. At the termination of this lease, Lessee will return all cars to Lessor, CLEAN AND EMPTY, at the point(s) mutually agreed upon in writing.
11. For purposes of this agreement "Empty" shall be defined as: **FREE FROM ANY AND ALL RESIDUE, PRODUCT, SUBSTANCE, OR OTHER MATTER ACCUMULATED WITHIN SUCH CARS AS A RESULT OF ITS USE BY LESSEE.**
12. If Lessee does not clean and/or repair such cars as described in this agreement or any rider thereto, to the reasonable satisfaction of Lessor, Lessee shall, on demand, have the opportunity to re-clean or repair said car(s), or reimburse Lessor for the cost of such cleaning and/or repairing any cars containing residue, and for damage to appurtenances, and/or any other items which have been affected by the commodity loaded therein.
13. Lessee agrees to indemnify and hold Lessor harmless from and against any loss, liability, claim, damage or expense (including, unless Lessee assumes the defense, the reasonable cost of investigating and defending against any claim for damages) arising out of or in connection with the use of the cars during the term of this Agreement, excepting, however, any loss, liability, claim, damage or expense which accrues with respect to any of the cars (i) while such car is in a repair shop undergoing repairs, (ii) which are attributable to the gross negligence or willful misconduct of Lessor, its agents or employees; or (iii) for which a railroad or railroads have assumed full responsibility, including investigating and defending against any claim for damages.
14. Lessee agrees to indemnify and hold Lessor harmless from and against any loss, liability, claim, damage, expense (including without limitations, the reasonable cost of investigating and defending against any claim for damages), fine or penalty arising out of, or in connection with any present or future applicable law, rule or regulation, including without limitation, common law and environmental law, foreign or domestic, arising from asserted claims in connection with or otherwise related to the release, removal or disposition whether intentional or unintentional of any material from or placed in a car during the term of this agreement; excepting however, any such loss, liability, claim, damage, expense, fine or penalty for which a railroad or railroads have assumed full responsibility, including investigating and defending against any claim for damages. Lessor, however, will indemnify Lessee for any loss, liability, claim, damage, expense, fine or penalty which is attributable to, or the result of the gross negligence or willful misconduct of the Lessor, its agents or employees.
15. Lessee shall be liable for any demurrage, track storage or detention charge imposed in connection with any of the cars as well as loss of or damage to any car while on any private siding or track or on any private or industrial railroad or in the custody of any carrier not subject to the Association of American Railroads Rules for Interchange.
16. Lessee shall make no transfer or assignment of its interest under this Agreement in and to the cars without Lessor's prior written consent, except that Lessee may sublease any of the cars

to its customers consistent with its normal merchandising methods; provided, however, that notwithstanding any such sublease, Lessee shall continue to remain liable to Lessor under all conditions and terms of this Agreement. No right, title or interest in any of the cars shall vest in Lessee by reason of this Agreement or by reason of the delivery to or use by Lessee of the cars, except the right to use the cars in accordance with the terms of this Agreement.

- 17.** If Lessee shall fail to perform any of its obligations hereunder, including, but not limited to prompt payment, Lessor shall forthwith notify Lessee via certified letter of such failure of performance, and give Lessee a reasonable time to cure said failure of performance. For purposes of this agreement, "Reasonable Time" shall be five (5) business days for failure to pay any unpaid invoice, and for all other such failures of performance shall be a reasonable period, said period to be decided on a case by case basis. If Lessee shall not cure said failure during the time(s) set forth above, Lessor may either (a) terminate this Agreement immediately and repossess the cars, or (b) withdraw the cars from the service of Lessee and deliver the same, or any thereof, to others upon such terms as Lessor may see fit or (c) if Lessor shall elect to proceed in accordance with clause (b) above and if Lessor during the balance of the term of this Agreement shall fail to collect for the use of the cars a sum at least equal to all unpaid rentals hereunder to the stated date of termination hereof plus an amount equal to all expenses of withdrawing the cars from the service of Lessee and collecting any earnings thereof, Lessee agrees to pay, upon demand by Lessor the amount of any such deficiency. It is expressly understood that Lessor at its option may terminate this Agreement in the event that a petition in bankruptcy or a petition for a trustee or receiver be filed by or against Lessee or in the event that Lessee shall make an assignment for creditors. **In addition to any remedy available to Lessor herein, Lessor reserves the right, at its sole election, to invoice directly any other contractors hiring Lessee as a sub-contractor, or any customer serviced by Lessee for any services billed to Lessee by Lessor arising out of this agreement for which Lessee has not made prompt payment to Lessor.**
18. If Lessee continues to use the cars after the expiration of the term of this agreement, or does not return such cars to the Lessor, as required by this Agreement, all terms and conditions of this Agreement shall continue to apply, and the Lessee shall continue to be obligated to pay rent for each car every month so long as it retains possession of said cars, or has not cleaned and/or decontaminated said cars according to the terms and condition of this Agreement.
19. Lessee agrees to assume responsibility for and to pay all applicable state sales, use or similar taxes resulting from the lease or use of the cars. The parties hereto agree that Lessee shall not be responsible for any property or ad valorem taxes due as a result of Lessee's use of the cars.
20. Lessee shall not place any lettering or marking of any kind except Lessee and/or commodity stencils upon any of the cars except with the prior written consent of Lessor.
21. Lessee agrees not to load any of the cars in excess of the load limit stenciled thereon.
22. Except as otherwise provided herein, this Agreement shall be binding upon the parties hereto, their respective successors, assigns, and legal representatives; and shall remain in full force

and effect from the date hereof until the completion of the leasing agreement shown on attached riders of the first car or cars hereunder, and all such cars are returned to Lessor.

23. It is understood that Lessor shall have the right, but shall not be obligated, under this Agreement and the riders attached thereto, to substitute for any car another car of the same type and capacity with the prior consent of Lessee, and the rental with respect to the substituted car shall commence upon delivery of such substituted car to Lessee.
24. If applicable, Lessor will send a renewal proposal letter (the "Letter") to Lessee thirty (30) days prior to the expiration date of each Rider. If no written notice is received prior to the expiration date of each rider by Lessor from Lessee regarding its intention to either return the cars at the end of the terms, or renew the rider upon the terms and conditions set forth in the Letter, the Rider will automatically be renewed upon the terms and conditions set forth in the Letter on the date following the expiration date of the Rider.
25. Nothing herein contained shall give or convey to Lessee any right, title or property interest in and to the cars, or any of them, except as Lessee. **LESSOR, NOT BEING THE MANUFACTURER OF THE CARS NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OF ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS.** Lessee will be subrogated to Lessor's claims, if any against the manufacturer or supplier of the cars for breach of any warranty or representation and, upon written request from Lessee, Lessor shall take all reasonable action requested by Lessee to enforce any such warranty, express or implied, provided, however that (a) Lessee is not in default under this Agreement and (b) Lessor shall not be obligated to resort to litigation to enforce any such warranty. If Lessee decides to litigate, Lessee shall pay all expenses in connection therewith. Notwithstanding the foregoing, Lessee's obligations to pay the rentals or otherwise under this Agreement shall be and are absolute and unconditional.
26. No liability shall result to either party from delay in performance or nonperformance caused by circumstances beyond the control of the party affected, including, but not limited to act of God, fire, flood, explosion, war, action or request of government authority, accident, labor trouble or shortage, earthquake, inability to obtain material, equipment, or transportation. Provided, however, the party experiencing the disability shall promptly (within forty-eight (48) hours from the beginning of any disability) send written notice thereof to the other party to this Agreement and attached Rider.
27. All notices provided for herein, as well as all correspondence pertaining to this Agreement, shall be considered as properly given if: (a) given in writing and delivered personally or sent

by registered, certified, or regular mail, or (b) by fax, or email, and confirmed thereafter in writing sent by registered, certified, or regular mail. The respective addresses for notice shall be the addresses of the parties given at the outset hereof. Either party giving written notice to the other may change such addresses.

Send notices to: Pond View Recycling c/o Modal Resources, LLC; 9 Chartwell Circle; Shrewsbury, MA 01545

28. This Agreement and the Riders attached hereto shall be governed by and construed in accordance with the laws of the State of Kansas, and venue for all purposes herein shall be in the District Court of Johnson, County, 10th Judicial District, Olathe, Kansas, USA.

29. **IN WITNESS WHEREOF**, the parties hereto have duly executed the Agreement in two counterparts (each of which shall be deemed an original) the day and year first above written.

LESSEE: PONDVIEW RECYCLING, INC

By *Kenneth Salvy*
Title *FRS*
Date *2-28-03*

LESSOR: RAIL LOGISTICS LC

By *Michael Lerner*
Title *Manager*
Date *03/03/03*

**SCHEDULE 1
TO THE MEMORANDUM OF ASSIGNMENT OF LEASE**

EQUIPMENT

12 woodchip railcars bearing the following marks and numbers:

<u>Old Marks</u>	<u>Old Car Numbers</u>	<u>New Marks</u>	<u>New Car Numbers</u>
MCLX	5101	RRLX	5101
MCLX	5102	RRLX	5102
MCLX	5103	RRLX	5103
MCLX	5104	RRLX	5104
MCLX	5105	RRLX	5105
MCLX	5106	RRLX	5106
MCLX	5107	RRLX	5107
MCLX	5108	RRLX	5108
MCLX	5109	RRLX	5109
MCLX	5110	RRLX	5110
MCLX	5111	RRLX	5111
MCLX	5112	RRLX	5112
