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LAW OFFICES

ROSS & HARDIES

RECORDATION NO. 10630 PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE

TWX NUMBER 910-221-1154

NOV 28 1989 -2 45 PM

CHICAGO, ILLINOIS 60601-7567

529 FIFTH AVENUE
NEW YORK, NEW YORK 10017-4608
212-949-7075

TELECOPIER 312-750-8600

INTERSTATE COMMERCE COMMISSION

312-558-1000

RECORDATION NO. 10630 FILED 1425

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
201-563-2700

RECORDATION NO. 10630 FILED 1425

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888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

9-332A057

Mrs. Noretta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two originals and two photocopied conformed counterparts of each of the two documents described below.

The first document is a Railroad Equipment Lease (the "Lease"), dated as of September 1, 1989, between U.S. Railcar, Inc. ("Lessor") and CSX Transportation, Inc. ("Lessee").

The names and addresses of the parties to the Lease are:

Lessor
U.S. Railcar, Inc.
2333 Waukegan Road
Suite N200
Deerfield, Illinois 60015

Lessee
CSX Transportation, Inc.
100 North Charles Street
Baltimore, Maryland 21201

A description of the railroad equipment covered by the Lease is set forth in Schedule 1 attached thereto.

A check for \$15.00 payable to the order of the Interstate Commerce Commission is enclosed to cover the required recordation fee of the Lease.

Laurie E. Ross
[Signature]

Ms. Noretta R. McGee
November 28, 1989
Page 2

The second document is an Assignment and Security Agreement (Non-Recourse), dated as of September 1, 1989, together with Rider to Assignment and Security Agreement (Non-Recourse) Agreement dated as of November 22, 1989, between the Lessor, as debtor (the "Debtor") and Deutsche Credit Corporation (the "Secured Creditor"), (collectively, the "Security Agreement"). The Security Agreement should be filed concurrently with the Lease, the primary document to which it relates.

The names and addresses of the parties to the Security Agreement are:

Debtor
U.S. Railcar, Inc.
2333 Waukegan Road
Suite N200
Deerfield, Illinois 60015

Secured Creditor
Deutsche Credit Corporation
2333 Waukegan Road
Deerfield, Illinois 60015

A description of railcars covered by the Security Agreement is set forth in Schedule 1 attached thereto.

A check for \$15.00 payable to the order of the Interstate Commerce Commission is enclosed to cover the required recordation fee of the Loan Agreement.

Kindly return the two photostatic copies of the two enclosed documents in the envelope provided to T. Stephen Dyer, Esq., Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of each of the enclosed documents:

Primary Document. Railroad Equipment Lease, dated as of September 1, 1989, between U.S. Railcar, Inc., as Lessor and CSX Transportation, Inc., as Lessee, covering fifty-two (52) 125-ton covered coil gondola railcars described on Schedule 1 attached to the Lease.

Ms. Noreta R. McGee
November 28, 1989
Page 3

Secondary Document. An Assignment and Security Agreement (Non-Recourse) Agreement, dated as of September 1, 1989, between U.S. Railcar, Inc. and Deutsche Credit Corporation together with Rider to Assignment and Security Agreement (Non-Recourse), dated as of November 22, 1989 and covering fifty-two (52) 125-ton covered coil gondola railcars described in Schedule 1 attached thereto.

Please call me at the above telephone number in Chicago if you have any questions.

Very truly yours,



T. Stephen Dyer

TSD:gh

Enclosures

cc: Steven Ordaz
Robert W. Kleinman
Kelley White

Interstate Commerce Commission
Washington, D.C. 20423

11/28/89

OFFICE OF THE SECRETARY

T. Stephen Dyer
Rider & Hardies
150 North Michigan Avenue
Chicago, Illinois 60601

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 11/28/89 at 2:45pm, and assigned recordation number(s). 16630 & 16630-A

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16630

RECORDATION NO _____ FILED 1425

NOV 28 1989 -2 45 PM

INTERSTATE COMMERCE COMMISSION

RAILROAD EQUIPMENT LEASE

THIS LEASE, dated and effective as of the 1st day of September, 1989, by and between U.S. RAILCAR, INC. ("Lessor") and CSX TRANSPORTATION, INC. ("Lessee").

W I T N E S S E T H:

1. Lease of Cars. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor fifty-two (52) 125-ton covered coil cars (each hereinafter referred to as a "Car" and more than one hereinafter referred to as "Cars"), bearing numbers CSXT 499282-499333 (inclusive). The lease will become effective, as to each Car, immediately upon its acceptance pursuant to Paragraph 3 hereof, and will continue in effect, as to each Car, until redelivered pursuant to Paragraph 20 hereof.

2. Delivery of Cars. Lessor will deliver the Cars as promptly as is reasonably possible. The Cars will be transported without cost to Lessee to such interchange point on Lessee's lines as Lessee shall designate. Delivery of each Car to Lessee will be effective upon the date when such Car has been accepted at such interchange point as is designated by Lessee.

3. Acceptance. Lessee will inspect all of the Cars prior to delivery. Lessee agrees to accept the same without objection as to condition upon delivery, provided that a Certificate of Acceptance has been executed and delivered to Lessor by an officer of Lessee with respect to each such Car, within fifteen (15) days of said inspection. Lessee will not be responsible, however, for damage which may have occurred to any Car subsequent to said inspection but prior to delivery.

4. Disclaimer of Warranty. LESSEE EXPRESSLY AGREES TO LEASE EACH CAR "AS IS." LESSOR WILL NOT BE DEEMED TO HAVE MADE, AND LESSOR HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE CARS, THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSES.

5. Use and Possession. During the term of this Lease, so long as Lessee is not in default of the provisions hereunder, Lessee will be entitled to possession of each Car from the date the Lease becomes effective as to such Car, and the same may be used on its own property or lines and upon the lines of any other railroad in interchange service; provided, however, that the Cars

will be used only in the United States of America, Canada, and the Republic of Mexico for the uses for which they were designed.

6. Term. This Lease will be for an initial term which will commence on the date of acceptance of the first Car by Lessor and will terminate seven (7) years from the effective date. If Lessee has fully performed all of its obligations under this Lease, Lessee may, by written notice to Lessor given no later than sixty (60) days prior to the conclusion of the preceding term or any renewal term, renew this Lease for up to, but not exceeding, one (1) additional term of one (1) year. During any additional term, all of the provisions and conditions of this Lease will continue in effect.

7. Rental. As rental for the use of each Car, Lessee will pay Lessor \$1,915 per Car, semi-annually in advance. Notwithstanding the foregoing, Lessee shall make the second semi-annual payment, for each Car, in a prorated amount, reflecting rental from the date each Car was accepted through the end of the first semi-annual period. If this Lease is extended for an additional term, Lessee shall pay a rental in a negotiated amount per month for each month of any additional term retained in accordance with the provisions of Paragraph 6 hereof. Lessee will make payments of the aforesaid rental to Lessor within fifteen (15) days from billing date. Billing date will be the first day of the month, commencing with the month following the effective date of this Lease. Any payment due for a partial month shall be prorated. It is specifically agreed that Lessee will retain all Daily Time Charges and Mileage Charges attributable to the use of each Car from the date of delivery until the expiration of the term of this Lease.

8. Title. Lessee will not by reason of this Lease or any action taken hereunder acquire or have any right or title in and to the Cars except as to the rights herein expressly granted to it as Lessee.

9. Maintenance. During the continuance of this Lease, Lessee will promptly and with due diligence keep and maintain the Cars in good working order and repair, and make all replacements and repairs to the Cars or their equipment and appliances to the extent required by presently effective Interchange Rules of the Association of American Railroads and presently effective laws and regulations of any federal, state or governmental body or department. Except as provided in Paragraph 18 hereof with respect to the loss, theft, or destruction of Cars, all of the foregoing maintenance and replacements will be provided at the sole cost and expense of Lessee and without any reduction or abatement in rent or other loss, cost or expense to Lessor. In

addition, Lessor will have the right, but not the obligation, to inspect any Car at its own expense, and upon request of Lessor, Lessee will confirm to Lessor the location of each Car and will, at any reasonable time, make the Car, and Lessee's records pertaining to it available to Lessor for inspection.

10. Additions to Cars. Any parts, replacements or additions made to any Car will be accessions to such Car and title thereto will be immediately vested in Lessor without cost or expense to Lessor.

11. Taxes. Lessee will 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 Lessee therein whether or not upon the use or operation thereof or the earnings derived therefrom. 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, Lessee will promptly pay or reimburse Lessor for the same except that Lessee will not be required to pay the same so long as it protests, in good faith and by appropriate legal or administrative proceedings, the validity or amount of such levy or assessment.

12. Laws and Regulations. During the term of this Lease, Lessee will comply with all statutes, orders, regulations, and ordinances applicable to its business and the use of the Cars, and Lessee agrees that its use of the Cars will not violate any statutes, laws, ordinances or regulations of any governmental agency applicable to the use of such Cars.

13. Freight and Other Charges. Lessor will not be obligated for the payment of any freight or other charges incurred by the movement or the holding of the Cars, either loaded or empty, during the term of this Lease, exclusive of any delivery or return charges that might be assessed by other railroads.

14. Lading. Lessor will not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Cars, for whatever reason such loss or damage may be caused or result. Lessee agrees to assume responsibility for, to indemnify Lessor against, and save Lessor harmless from any such loss or damage or claim therefor.

15. Prohibition Against Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any liens,

security interests or other encumbrances on or with respect to the Cars, Lessor's title thereto or any interest of Lessor therein, and Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such lien, security interest or other encumbrance. Lessee will not be required, however, to pay or discharge any such lien or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title in and to the Cars or Lessor's interest therein.

16. Identification of Cars. At all times during the continuance of this Lease, Lessee will cause each Car to bear the number assigned to it and appearing thereon as of the date of its delivery.

17. Indemnity. Lessee hereby agrees to forever indemnify, defend and save Lessor harmless from and against any and all damages, claims, actions, liabilities, costs and expenses, including attorneys' fees, except to the extent of Lessor's own negligence or its failure to perform its obligations under this Lease. In construing the foregoing sentence, the acts of Lessor's agents or affiliated companies shall be considered as an act of Lessor. If Lessor is named as a party to any lawsuit as a result of the above, Lessee agrees to undertake the defense and costs associated therewith immediately upon tender of said defense, including payment of any judgment directed against Lessor, jointly or severally. Lessee also agrees to pay and indemnify Lessor from any and all penalties, taxes, fines, and levies assessed by a governmental agency for Lessee's failure to comply with any law or regulation, as described in Paragraph 12, in its operations of said Cars under this Lease.

18. Loss, Theft or Destruction of Cars. In the event that any Car shall be lost, stolen, destroyed or irreparably damaged beyond economic repair (to be determined by Lessor) from any cause whatsoever at any time during the term of this Lease, Lessee will be relieved of its obligation to pay rentals in respect of such Car from the date of such occurrence. Lessee will forthwith advise Lessor of such occurrences and will make prompt settlement for each such Car by payment in cash to Lessor of a sum calculated, as of the date of said loss, theft, destruction or damage, in accordance with the attached casualty schedule plus any unpaid rental and charges as herein provided to such date. Such settlement will be made no later than forty-five (45) days after the occurrence. Upon payment of such settlement, this Lease will terminate as to such Car as of said date and Lessee will be entitled to salvage, if any.

19. Redelivery of Cars. Upon termination of this Lease with respect to any Car (other than pursuant to Paragraph 18 hereof), Lessee will at its sole cost and expense immediately surrender possession of such Car by causing delivery of same to be made at the direction of Lessor, to a location or points on the system lines of Lessee. If on termination, Lessor fails to provide disposition instructions, Lessee will store Cars free of charge, at the sole risk of Lessor, for up to sixty (60) days, and thereafter at a charge of \$10.00 per Car per day, until forwarding instructions are received. Lessee will return all Cars to Lessor in as good condition (ordinary wear and tear excepted) as when the same were accepted by Lessee and in furtherance of this obligation, Lessee and Lessor will perform a joint inspection of all Cars prior to redelivery, each party to assume the expense of its own inspection. Such repairs as may be determined by said joint inspection to be required to place the Cars in as good condition (ordinary wear and tear excepted) as when accepted under this Lease will be performed by Lessee in a timely manner and at its sole expense prior to redelivery to Lessor. No rental shall be paid for any Cars requiring repair.

20. Substitution of Cars. In the event the Lease as to any Car shall be terminated pursuant to Paragraph 9 or 18 hereof, no Car shall be added as a substitute without the written concurrence of both parties.

21. Default. The term "event of default" for the purpose hereof will mean any one or more of the following:

- (a) Non-payment by Lessee within five (5) days after written notice to Lessee of default in payment of rental or any other sum required to be paid hereunder by Lessee;
- (b) Failure by Lessee, in the observance or performance of any agreement required to be observed or performed on its part under this Lease, except as referred to in the foregoing clause (a), said failure continuing for a period of thirty (30) days after the giving of written notice thereof by Lessor;
- (c) Decree or order, entered by a court having jurisdiction in the premises, adjudging Lessee bankrupt or insolvent, or approving as properly filed a petition seeking reorganization under federal or state law; or
- (d) Institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceeding or to any action taken or

proposed to be taken in any proceeding described hereinabove in clause (c), or the making by Lessee of a general assignment for the benefit of creditors.

22. Remedies. Lessor will have the right in the event of default by Lessee to terminate this Lease immediately by giving notice to Lessee, and Lessor may, without any notice or demand, take or cause to be taken immediate possession of the Cars, pursuant to Paragraph 19 hereof concerning redelivery of Cars by Lessee, provided, however, that all remedies are cumulative and such retaking will not be deemed as exclusive or a waiver of Lessor's right to receive payment of all sums, including reasonable attorney's fees and costs, payable by Lessee to Lessor under this Lease, or any other rights or remedies conferred upon Lessor under applicable laws or in equity.

23. Net Lease. The Lease provided for herein is a net lease, and Lessee acknowledges and agrees that Lessee's obligation to pay all rentals hereunder, shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim or recoupment for any reason whatsoever, including, without limitation, such as may be due to any present or future claims of Lessee against Lessor under this Lease or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessee be affected, by reason of any damage to, or any loss or destruction of, any Cars (other than provided for in Paragraph 18 hereof), or the interference with the use thereof by any third party or governmental authority, or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of Lessee to enter into this Lease, or any instrument or document executed in connection herewith, any present or future law or regulation to the contrary notwithstanding.

24. Recording. Lessor may, immediately upon execution and without expense to Lessor, cause a memorandum of this Lease to be filed with the Interstate Commerce Commission for recordation under Section 11303(a) of the Interstate Commerce Act.

25. Sublease and Assignment. Lessee will not assign or sublease this Lease or any of the Cars without the prior written consent of Lessor, which will not be unreasonably withheld. However, any event of default under such assignment or sublease will be considered as an event of default under this Lease provided that proper notice of the pending event of default has been directly provided to Lessee, pursuant to Paragraph 21. Lessor may sell or otherwise dispose of the Cars or may assign and reassign all or part of its rights under this Lease,

including the rent to be paid, if said sale, disposition, assignment or reassignment does not diminish, interfere or prejudice the rights of Lessee under this Lease, and Lessor gives to Lessee notice of any such sale, disposition, assignment or reassignment.

26. Successors and Assigns. The covenants, conditions and agreements contained in this Lease will bind and inure to the benefit of the parties, their successors and permitted assigns.

27. Governing Laws - Amendments. The terms of this Lease and all rights and obligations hereunder will be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may not be amended or terminated orally, but only by agreement in writing by the party against whom the enforcement of such amendment or termination is sought.

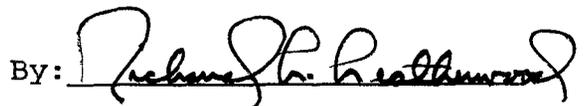
28. Nonwaiver. The rights of either party to this Lease shall not be waived unless so stated in writing.

29. Execution. This Lease, which constitutes the entire understanding of the parties, 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 will be sufficiently evidenced by any such original counterpart.

U.S. RAILCAR, INC.

By: 
Title: PRESIDENT

CSX TRANSPORTATION, INC.

By: 
Title: President & CEO
CSX Equipment

Schedule 1

52 125-ton Covered Coil Gondola Railcars, which may be identified by either the following Pittsburgh and Lake Erie Company car numbers, to wit:

PLE	42003	PLE	142077
PLE	42008	PLE	142080
PLE	42012	PLE	142083
PLE	42013	PLE	142087
PLE	42018	PLE	142088
PLE	42021	PLE	142092
PLE	42027	PLE	142123
PLE	42029	PLE	142126
PLE	42037	PLE	142141
PLE	42057	PLE	142150
PLE	42068	PLE	142152
PLE	42069	PLE	142165
PLE	42070	PLE	142170
PLE	42084	PLE	142175
PLE	42099	PLE	142177
PLE	142001	PLE	142179
PLE	142002	PLE	142183
PLE	142015	PLE	142192
PLE	142016	PLE	142194
PLE	142017	PLE	142197
PLE	142025	PLE	142200
PLE	142035	PLE	142207
PLE	142041	PLE	142214
PLE	142042	PLE	142226
PLE	142051	PLE	142234
PLE	142060	PLE	142243

or, by the consecutive CSX Transportation, Inc. car numbers CSXT 499282-499333 (inclusive).

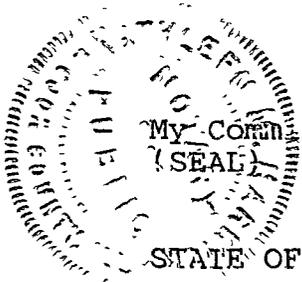
STATE OF ILLINOIS)
)
COUNTY OF Lake) SS.

I hereby certify that on this 20th day of July, 1989, before me, a Notary Public in and for the State aforesaid, personally appeared Homer H. Jones, who acknowledged himself to be the President of U.S. Railcar, Inc., a corporation, and acknowledged that he, as such President, being authorized so to do, executed the foregoing Railroad Equipment Lease for the purposes therein contained.

As witness my hand and notarial seal.

Kathleen M. Harwick
Notary Public

My Commission Expires: Sept. 24, 1989
(SEAL)



STATE OF MARYLAND)
)
CITY OF BALTIMORE) SS.

I hereby certify that on this 30th day of June, 1989, before me, a Notary Public in and for the State aforesaid, personally appeared Richard L. Leatherwood, who acknowledged himself to be the President and CEO, CSX Equipment of CSX Transportation, Inc., a corporation, and acknowledged that he, as such President and CEO, CSX Equipment, being authorized so to do, executed the foregoing Railroad Equipment Lease for the purposes therein contained.

As witness my hand and notarial seal.

H. Marlene McCape
Notary Public

My Commission Expires: July 1, 1990
(SEAL)

