ITEL

Rail Lease Division
Two Embarcadero Center
San Francisco, California 94111
(415) 955-0123
Telex 34234

9-059A310

No.
Date FEB 28 1979
Fee $ 50.00
ICC Washington, D. C.

February 27, 1979

RECORDATION NO. 10162 Filed 1425

FEB 28 1979 -2 30 PM

INTERSTATE COMMERCE COMMISSION

Honorable H. G. Homme, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Sir:

Enclosed for filing with and recording by the Interstate Commerce Commission are three originals and three photocopies of a Lease Agreement dated as of October 26, 1978 between Itel Corporation, acting through its Rail Division, Two Embarcadero Center, San Francisco, California 94111, and the Brillion & Forest Junction Railroad Company, P.O. Box 10, Brillion, Wisconsin, covering the following railroad equipment:

> 200, 39' swing door vans bearing the identifying numbers SBFZ 204000 - 204199.

Identifying marks on all of the foregoing equipment: The words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE COMMISSION", printed on each side of each unit.

Also enclosed is our check in the amount of $50.00, payable to the Interstate Commerce Commission, being the prescribed fee for filing and recording the foregoing document.

Please return all copies of the enclosed that are not required by the Interstate Commerce Commission to David Schwartz, Esq., of Sullivan and Worcester who will be delivering this letter on our behalf.

Sincerely,

Ruth Meyler
Counsel/Legal Services
Itel Transportation Services Group

RM/ik
Enclosures

FEB 28 2 29 PM '79
I.C.C.
FEE OPERATION BR.

Return to David Schwartz

RECORDATION NO. 10162 Filed 1425

FEB 28 1979 -2 30 PM

INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

THIS LEASE AGREEMENT, made as of this 26th day of October, 1978, between **ITEL CORPORATION, RAIL-INTERMODAL DIVISION,** a Delaware corporation, Two Embarcadero Center, San Francisco, California, 94111 ("Itel Rail"), as Lessor, and BRILLION & FOREST JUNCTION RAILROAD COMPANY, a Wisconsin corporation ("Lessee"), as Lessee.

1. Scope of Agreement

A. Itel Rail agrees to lease to Lessee, and Lessee agrees to lease from Itel Rail, trailers, containers, chassis, bogies and component parts thereof as set forth in any lease schedules executed by the parties concurrently herewith or hereafter and made a part of this Agreement. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto, each of which when signed by both parties shall be a part of this Agreement. The scheduled items of equipment are hereinafter called "Equipment" or "Item or Items of Equipment."

B. It is the intent of the parties to the Agreement that Itel Rail shall at all times be and remain the Lessor of all Equipment. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Agreement shall remain in full force until it shall have been terminated as to all of the Equipment as provided herein. The term of lease with respect to all of the Equipment described on each Schedule shall be for ten (10) years (the "Initial Term") commencing upon the date when all Equipment on such Schedule shall have been delivered as set forth in section 3A hereof.

B. If this Agreement has not been earlier terminated and no default has occurred and is continuing, it shall automatically be extended for not more than two (2) consecutive periods of twelve (12) months each (the "Extended Lease Term") with respect to all of the Equipment described on each Schedule, provided, however, that Itel Rail or Lessee may terminate this Agreement on or after the Initial Lease Term as to all, but not fewer than all, of the Equipment on any such Schedule by written notice delivered to the other not less than twelve (12) months prior to the end of the Initial Lease Term or any Extended Lease Term.

3. Supply Provisions

A. Itel Rail will inspect each Item of Equipment tendered by the manufacturer for delivery to Lessee. Prior to such inspection, however, Lessee shall confirm in writing to Itel Rail that the sample Item of Equipment which will be made available for Lessee's inspection prior to the commencement of deliveries conforms to the specifications of the Equipment agreed to by Lessee. Upon such approval by Lessee and Itel Rail's determination that the Equipment conforms to the specifications ordered by Itel Rail and to all applicable governmental regulatory specifications, and provided this Agreement has not been terminated, Itel Rail will accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. Each Item of Equipment shall be deemed delivered to Lessee upon acceptance by Itel Rail. The Equipment shall be moved to Lessee's railroad line at no cost to Lessee as soon after acceptance of delivery by Itel Rail as is consistent with mutual convenience and economy. Due to the nature of railroad operations in the United States, Itel Rail can neither control nor determine when the Equipment leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of the Equipment leased hereunder, Lessee agrees to pay Itel Rail the rent set forth in this Agreement. Lessee may, at its own option, request Itel Rail to ship the Equipment directly to Lessee, whereby Lessee agrees to reimburse Lessor for all costs incurred in movement to Lessee. To move the Equipment to Lessee's railroad line and insure optimal use of the Equipment after the first loading of freight for each Item of Equipment on the railroad line of Lessee (the "Initial Loading"), Itel Rail agrees to assist Lessee in monitoring Equipment movements and, when deemed necessary by Lessee and Itel Rail, to issue movement orders with respect to such Equipment to other railroad lines in accordance with ICC and AAR interchange agreements and rules. Whenever Equipment is used or loaded prior to the Initial Loading, or whenever Lessee notifies Itel Rail that it requires the use of a designated quantity of Equipment, Itel Rail shall not route such Equipment away from Lessee.

B. Additional Equipment shall be leased from Itel Rail by Lessee only upon the mutual agreement of the parties hereto. Upon such agreement, such additional Equipment shall be identified in Schedules to this Agreement and shall benefit from and be subject to this Agreement upon execution of the Schedules by Itel Rail and Lessee. Notwithstanding the execution of any schedules, including Schedules for additional Equipment, the delivery of any Item of Equipment to Lessee shall be subject to manufacturers' delivery schedules, financing satisfactory to Itel Rail and the mutual acknowledgment of the parties that the addition of such Equipment is not likely to reduce Utilization (as defined in section 6) of all Equipment on lease to Lessee to less than 95 percent in any calendar quarter. If, due to the factors listed in the preceding sentence, fewer than all of the Items of Equipment listed on a Schedule shall be delivered to Lessee, the term of the lease shall be deemed to have commenced on the date the final Item of Equipment of the most recent group of Equipment was accepted by Itel Rail as is set forth in Section 3A.

4. Railroad Markings and Record Keeping

A. Itel Rail and Lessee agree that on or before delivery of any Item of Equipment to Lessee, said Equipment will be lettered with the railroad markings of Lessee or such markings as may be assigned for use by Lessee and Itel Rail and may also be marked with the name and/or other insignia used by Lessee. Such name and/or insignia shall comply with all applicable regulations.

B. At no cost to Lessee, Itel Rail shall during the term of this Agreement prepare for Lessee's signature and filing all documents relating to the registration, licensing, maintenance and record keeping functions involving the Equipment. Such documents shall include but are not limited to the following: (1) registration in the Official Intermodal Equipment Register and the Universal Machine Language Equipment Register and (2) such reports as may be required from time to time by the ICC and/or other regulatory agencies.

C. Itel Rail shall, on behalf of Lessee, perform all record keeping functions related to the use of the Equipment by Lessee and other railroads in accordance with AAR Interchange Agreements and rules, such as car hire reconciliation. Correspondence from railroads using such Equipment shall be addressed to Lessee at such address as Itel Rail shall select.

D. All record keeping performed by Itel Rail hereunder and all record of payments, charges and correspondence related to the Equipment shall be separately recorded and maintained by Itel Rail in a form suitable for reasonable inspection by Lessee from time to time during regular Itel Rail business hours. Lessee shall supply Itel Rail with such reports, including daily telephone reports of the number of Items of Equipment in Lessee's possession or control, regarding the use of the Equipment in Lessee's possession or control as Itel Rail may reasonably request.

5. Maintenance, Taxes and Insurance

A. Except as otherwise provided herein, Itel Rail will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Item of Equipment during the term of this Agreement, including but not limited to replacing worn or damaged parts and tires, repairs, maintenance and servicing, unless the same was occasioned by the fault of Lessee. Lessee shall inspect all Equipment interchanged to it to insure that each Item of Equipment is in good working order and condition and shall be liable to Itel Rail for any repairs required for damage not noted at the time of interchange. During the term of this Agreement, Itel Rail will supply Lessee with such new license plates or tags as may be required to use the Equipment. Lessee shall be responsible for affixing such new licenses or tags to all Items of Equipment on Lessee's railroad tracks or on railroad tracks to which Lessee holds trackage rights subsequent to its receipt of such licenses and tags and shall be liable for all penalties, fines and costs incurred due to its failure to so affix such license plates or tags. Lessee shall insure that the tires on each Item of Equipment comply with all governmental and state laws and regulations at the time the Equipment leaves Lessee's track for redelivery to Itel Rail.

B. Except as provided above, Itel Rail shall make or cause to be made such inspections of, and maintenance and repairs to, the Equipment as may be required. Itel Rail shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Equipment in good operating condition throughout the lease term of such Equipment. Lessee may make running repairs to facilitate continued immediate use of each Item of Equipment, but shall not otherwise make any repairs, alterations, improvements, or additions to any Item of Equipment without Itel Rail's prior written consent and shall be liable to Itel Rail for any revenues lost due to such repair, alteration, improvement or addition. Title to any such alteration, improvement or addition shall be and remain with Itel Rail.

C. Lessee will at all times while this Agreement is in effect be responsible for the Equipment while in Lessee's possession or control in the same manner that Lessee is responsible under AAR Interchange Rules for Trailer/Container-on-Flat-Car Service for similar equipment not owned by Lessee in Lessee's possession or control. Lessee shall also maintain bodily injury and property damage liability insurance in the sum of $1 Million. Lessee shall furnish Itel Rail concurrently with the execution hereof and thereafter at intervals of not more than 12 calendar months with certificates of insurance with respect to the insurance required as aforesaid signed by an independent insurance broker. All insurance shall be taken out in the name of Lessee and Itel Rail (or its assignee if requested by Itel Rail) as their interests may appear. If Lessee defaults in paying any insurance premium Itel Rail may pay such premium for Lessee's account.

D. Itel Rail agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Item of Equipment and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Item of Equipment to Lessee or which may be accrued, levied, assessed or imposed during the lease term of such Item of Equipment except taxes on income imposed on Lessee and sales or use taxes imposed on per diem. Itel Rail shall forward to Lessee all sales and use tax payments received by it on behalf of Lessee. Itel Rail and Lessee will comply with all state and local taxes requiring the filing of ad valorem tax returns on the Equipment. Itel Rail shall review all applicable tax returns prior to filing.

6. **Lease Rental**

A. Lessee agrees to pay the following rent to Itel Rail for the use of the Equipment:

(i) Itel Rail shall receive all payments made to Lessee by other railroad companies for their use or handling of the Equipment (all of which payments made to Lessee are hereinafter collectively referred to as "Payments") if the Utilization (as defined below) of all of the Equipment delivered to Lessee on an aggregate basis for each calendar year shall be equal to or less than 95 percent. For the purpose of this Agreement, Utilization of the Equipment shall be defined as a fraction, the numerator of which is the aggregate number of days in each calendar year that car hire payments are earned by Lessee on the Equipment, commencing from the Initial Loading, and the denominator of which is the aggregate number of days in each calendar year that the Equipment is on lease to Lessee, commencing from the Initial Loading, minus the number of days such equipment is undergoing servicing, repair or alteration as provided for in Section 5 unless the same was occasioned by the fault of Lessee. In addition, Itel Rail will receive, as additional rental, all monies earned by the Equipment prior to their Initial Loading.

(ii) In the event Utilization exceeds 95 percent in any calendar year, Itel Rail shall receive an amount equal to the Itel Rail Base Rental plus an amount equal to one-half of the Payments earned in excess of the Itel Rail Base Rental. For the purpose hereof, Itel Rail Base Rental shall be an amount equal to the total Payments for the calendar year which is the equivalent of

the amount derived from Utilization at 95 percent. (The above determination of Itel Rail Base Rental insures that Lessee will, if Utilization is greater than 95 percent in any calendar year, receive one-half of all the Payments made for use or handling of the Equipment in excess of the Itel Rail Base Rental.)

(iii) If Itel Rail pays other railroads to move Equipment in accordance with Section 3A, except for any expenses incurred to deliver such Equipment to Lessee's railroad line, Lessee shall reimburse Itel Rail for such expenses only from and out of the monies received by Lessee pursuant to subsection 6A(ii).

(iv) The rental charges payable to Itel Rail by Lessee shall be paid from the Payments received by Lessee in the following order until Itel Rail receives the amounts due it pursuant to this section: (1) straight car hire payments; and (2) other.

(v) In the event damage beyond repair or destruction of an Item of Equipment has been reported in accordance with Rule 7-T of the AAR Code of Trailer and Container Per Diem Rules and Charges and the appropriate amount due as a result thereof is received by Itel Rail, said damaged or destroyed Item of Equipment will be removed from the coverage of this Agreement as of the date that payment of car hire payments ceased.

B. The calculations required above shall be made within five (5) months after the end of each calendar year. However, to enable Itel Rail to meet its financial commitments, Itel Rail shall, prior to making such calculations, retain the Payments received by it on behalf of Lessee. Further, since the parties desire to determine on a quarterly basis the approximate amount of the rental charges due Itel Rail, Itel Rail shall within three (3) months after the end of each calendar quarter, calculate on a semi-annual basis for the first year and a quarterly basis thereafter rather than a yearly basis the amount due it pursuant to this section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, provided, however, that following the yearly calculation, any amount paid to either party in excess of the amounts required by the yearly calculation shall be promptly refunded to the appropriate party.

C. If at any time during a calendar quarter the number of days that the Equipment has not earned Payments is such as to make it mathematically certain that Utilization in such calendar quarter cannot be equal to or greater than 90 percent, Itel Rail may, at its option and upon not less than 10 days prior written notice to Lessee, terminate this Agreement as to such Items of Equipment as Itel Rail shall determine. Lessee shall, (i) within 5 days of Itel Rail's written notice notify Itel Rail of its intent to pay Itel Rail an amount equal to the difference between rent Itel Rail received for each calendar quarter and the rent Itel Rail would have received had the Utilization for each calendar quarter been 90 percent, and (ii) make such payment within 15 days of receipt of such notice.

D. Itel Rail may, at its option, terminate this Agreement if the ICC shall, at any time, issue an order reducing the interchange rate applicable to each Item of Equipment below $6.35 per day without a corresponding increase in other monies available to both Itel Rail and Lessee at least equal in amount to such reduction.

7. **Possession and Use**

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Equipment in accordance with the terms of this Agreement and in the manner and to the extent Equipment is customarily used in the railroad freight business, provided that Lessee retains possession or control of no more Items of Equipment than are necessary to fulfill its immediate requirements to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Itel Rail in connection with the acquisition of the Equipment, i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that all rent shall be made directly to such party and/or that the Equipment be returned to such party. Lessee agrees that to the extent it has physical possession or can control use of the Equipment, the Equipment will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Itel Rail or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Equipment or any interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

8. **Default**

A. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant, or condition of this Agreement, which is not cured within ten (10) days thereafter.

(iii) Any act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency.

(vi) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state.

B. Upon the occurrence of any event of default, Itel Rail may, at its option, terminate this Agreement (which termination shall not release Lessee from any obligation to pay to Itel Rail any and all rent or other sums that may then be due or accrued to such date or from the obligation to perform any duty or discharge any other liability occurring prior thereto) and may

(i) Proceed by any lawful means to enforce performance by Lessee of such obligations or to recover damages for a breach thereof (and Lessee agrees to bear Itel Rail's costs and expenses, including reasonable attorneys' fees, in securing such enforcement), or

(ii) By notice in writing to Lessee, terminate Lessee's right of possession and use of the Equipment, whereupon all right and interest of Lessee in the Equipment shall terminate; and thereupon Itel Rail may enter upon any premises where the Equipment may be located and take possession of such Equipment and henceforth hold, possess and enjoy the same free from any right of Lessee.

9. Termination

Upon the termination of this Agreement as to any Item of Equipment, Lessee will surrender possession of such Equipment to Itel Rail by delivering the same to Itel Rail. An Item of Equipment shall be no longer subject to this Agreement upon the removal of Lessee's railroad markings from such Item of Equipment and the placing thereon of such markings as may be designated by Itel Rail, either, at the option of Itel Rail, (1) by Lessee upon return of such Equipment to Lessee's possession or control or (2) by another railroad line which has physical possession of the Item of Equipment at the time of or subsequent to termination of the lease term as to such Item of Equipment. If such Equipment is not on the railroad line of Lessee upon termination, any cost of assembling, delivering, storing, and transporting such Equipment to Lessee's railroad line or the railroad line of a subsequent lessee shall be borne by Itel Rail. If such Equipment is on the railroad line of Lessee upon such expiration or termination or is subsequently returned to Lessee's railroad line, Itel Rail shall at its expense reimburse Lessee for removal of the railroad markings from the Equipment and placement thereon of such markings as may be designated by Itel Rail. After the removal and replacement of markings, Lessee shall use its best efforts to load such Equipment with freight and deliver such Equipment to a connecting carrier for shipment. Lessee shall provide up to sixty (60) days free storage on its property for Itel Rail or the subsequent Lessee of any terminated Item of Equipment. If any Item of Equipment is terminated pursuant to subsections 6C or section 8 prior to the end of its lease term, Lessee shall be liable to Itel Rail for all costs and expenses incurred by Itel Rail to repaint such Item of Equipment and place thereon the markings and name or other insignia of Itel Rail's subsequent Lessee.

10. Indemnities

Itel Rail will defend, indemnify and hold Lessee harmless from and against (1) any and all loss or damage of or to the Equipment, unless occurring while Lessee has physical possession or control of the Equipment and (2) any claim, cause of action,

damage, liability, cost or expense which may be asserted against Lessee with respect to the Equipment (other than loss or physical damage to the Equipment as provided in (1) above) unless occurring through the fault of Lessee or party under Lessee's control who has possession or use of an Item of Equipment, including without limitation the construction, purchase and delivery of Equipment to Lessee's railroad line, ownership, leasing or return of the Equipment, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by Itel Rail or Lessee).

11. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

(ii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not disclosed to Itel Rail in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

12. Inspection

Itel Rail shall at any time during normal business hours have the right to enter the premises where the Equipment may be located for the purpose of inspecting and examining the Equipment to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify Itel Rail of any accident connected with the malfunctioning or operation of the Equipment, including in such report the time, place and nature of the accident and the damage caused, the names and addresses of any persons injured and of witnesses, and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify Itel Rail in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Item of Equipment. Lessee shall furnish to Itel Rail promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

13. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of Itel Rail assign this Agreement or any of its rights hereunder or sublease the Equipment to any party, and any purported assignment or sublease in violation hereof shall be vlid.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of this Agreement and in furtherance of any financing agreement entered into by Itel Rail in connection with the acquisition of the Equipment in order to confirm the financing party's interest in and to the Equipment, this Agreement and Schedules hereto and to confirm the subordination provisions contained in section 7.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Equipment only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as a Lessee only.

D. No failure or delay by either party herein shall constitute a waiver or otherwise affect or impair any right, power or remedy available except as otherwise provided herein; nor shall any waiver or indulgence by either party or any partial or single exercise of any right, power or remedy preclude any other or further exercise of any other right, power or remedy, except as otherwise provided in this Agreement.

E. This Agreement shall be governed by and construed according to the laws of the State of California.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ITEL CORPORATION, **RAIL-INTERMODAL DIVISION**	BRILLION AND FOREST JUNCTION RAILROAD COMPANY
By: Alan S. Peterson	**By:** Clinton Jones, Jr.
Title: President	**Title:** President
Date: 12/19/78	**Date:** October 26, 1978

~~Execution of this lease is contingent upon the successful resolution of tariff and revenue division agreements currently being negotiated.~~

~~Also, execution of this lease is contingent upon the successful resolution of amendments and changes desired by Trans Northern to its operating lease agreement with the Ahnapee & Western Railway~~.

EQUIPMENT SCHEDULE NO. 1

Itel Corporation, Rail Division hereby leases the following Equipment to Brillion and Forest Junction Railroad Co. , subject to the terms and conditions of that certain Lease Agreement dated as of ....., 197...

Description	Reporting Marks and Numbers	Inside Dimensions Length	Width	Height	Type of Door	Type of Suspension	No. of Items of Equipment
Van	SBFZ 204000 - 204049 CJJR.	39'	7' 8-3/8"	8' 9½"	Swing	Standard	50

ITEL RAIL-INTERMODAL DIVISION

BY: Allen S. Peterson

TITLE: ~~12/19/78~~ President

DATE: 12/19/78

BRILLION AND FOREST JUNCTION R.R. CO.

BY: Clinton Jones, Jr.

TITLE: President

DATE: 26, October, 1978

T-1/78

EQUIPMENT SCHEDULE NO. 2

Itel Corporation, Rail Division hereby leases the following Equipment to Brillion and Forest Juncion Railroad Co., subject to the terms and conditions of that certain Lease Agreement dated as of ....., 197...

Description	Reporting Marks and Numbers	Inside Dimensions Length	Width	Height	Type of Door	Type of Suspension	No. of Items of Equipment
Van	SBFZ 204050 - 204099 AP CJJR.	39'	7' 8-3/8"	8' 9½"	Swing	Standard	50

ITEL RAIL-INTERMODAL DIVISION

BY: Allen S. Peterson

TITLE: President

DATE: 12/19/78

BRILLION AND FOREST JUNCTION R.R. CO.

BY: Clinton Jones, Jr.

TITLE: President

DATE: 26, October, 1978

T-1/78

EQUIPMENT SCHEDULE NO. 3

Itel Corporation, Rail Division hereby leases the following Equipment to Brillion and Forest Junction Railroad Co., subject to the terms and conditions of that certain Lease Agreement dated as of ....., 197...

Description	Reporting Marks and Numbers	Inside Dimensions Length	Width	Height	Type of Door	Type of Suspension	No. of Items of Equipment
Van	SBFZ 204100 - 204149 N CJ JR.	39'	7' 8-3/8"	8' 9½	Swing	Standard	50

ITEL RAIL-INTERMODAL DIVISION

BY: Allen S. Peterson

TITLE: President

DATE: 12/19/78

BRILLION AND FOREST JUNCTION R.R. CO.

BY: Clinton Jones, Jr.

TITLE: President

DATE: 26, October, 1978

T-1/78

EQUIPMENT SCHEDULE NO. 4

Itel Corporation, Rail Division hereby leases the following Equipment to Brillion and Forest Junction Railroad Co., subject to the terms and conditions of that certain Lease Agreement dated as of ....., 197...

Description	Reporting Marks and Numbers	Inside Dimensions Length	Width	Height	Type of Door	Type of Suspension	No. of Items of Equipment
Van	SBFZ 204150 - 204199 AP CJJR.	39'	7' 8-3/8"	8' 9½"	Swing	Standard	50

ITEL RAIL-INTERMODAL DIVISION

BY: Allen S. Peterson

TITLE: President

DATE: 12/19/78

BRILLION AND FOREST JUNCTION R.R. CO.

BY: Clinton Joner, Jr.

TITLE: President

DATE: 26, October, 1978

T-1/78

STATE OF W.S.
COUNTY OF Calumet

On this 26 day of Oct. 1978, before me personally appeared Clinton Jones, Jr. to me personally known, who being by me duly sworn says that such person is President of B & F.J. R.R., that the foregoing Equipment Schedule No. ..... was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

D. A. Popp
Notary Public
Permanent

STATE OF California
COUNTY OF San Francisco

On this 21st day of December, before me personally appeared Allen P. Peterson to me personally known, who being by me duly sworn says that such person is PRESIDENT of Itel Corporation, Rail Division, that the foregoing Equipment Schedule No. 14 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

OFFICIAL SEAL
BEVERLY LEONG
NOTARY PUBLIC · CALIFORNIA
San Francisco County
My Commission Expires April 30, 1982

Beverly Leong
Notary Public

ES-1/78