

ITEL

RECORDATION NO. 1366A
JUN 16 1982 - 10 10 AM

Rail Division
Two Embarcadero Center
San Francisco, California 94111
(415) 955-9090
Telex 34234

INTERSTATE COMMERCE COMMISSION

2-167A030

June 1, 1982

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No. _____
Date JUN 16 1982

Fee \$ 60.00

ICC Washington, D. C.

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I.C.C.
FEE OPERATION BR.

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith on behalf of Itel Corporation, for filing and recordation, four counterparts of the following document:

New number

Lease Agreement dated March 22, 1982, between Itel Corporation, Rail Division as lessor and Maine Central Railroad Company as lessee.

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

1. Itel Corporation, Rail Division
Two Embarcadero Center, 24th Floor
San Francisco, California 94111
2. Maine Central Railroad Company
242 St. John Street
Portland, Maine 04102

Please cross-index the above-referenced Lease with the following document, which was filed on December 22, 1978 at 10:00 A.M. and given recordation No. 9932:

Equipment Trust Agreement 1978 Series 3 dated as of November 1, 1978, between First Security Bank of Utah, N.A. as trustee and Itel Corporation, Rail Division.

The equipment covered by the Lease is twenty-five (25) 70-ton flatcars 89'4" length (A.A.R. mechanical designation FC) bearing reporting marks MEC 105051-105075 inclusive.

*Counterpart -
John Austin*

Ms. Agatha Mergenovich, Secretary
June 1, 1982
Page Two

Also enclosed is a check in the amount of \$60.00 for the required recording and cross-indexing.

Please stamp all counterparts of the enclosed Lease with your official recording stamp. You will wish to retain one (1) counterpart of the document for your files; it is requested that the remaining three (3) counterparts be delivered to the bearer of this letter.

Sincerely,



Patricia Salas Pineda
Counsel

PSP:dmm
Enclosures

cc: Michael Walsh, Esq.
Weil, Gotshal & Manges
767 Fifth Avenue
New York, New York 10020

Robert S. Clark, Esq.
Senior Trust Officer
First Security Bank of Utah, N.A.
Corporate Trust Division
79 South Main Street
Salt Lake City, Utah 84111

Doug Drummond
Itel Corporation

Linda Lawrence
Itel Corporation

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

June 16, 1982

Patricia Salas Pineda
IteI Corporation
Rail Division
Two Embarcadero Center
San Francisco, California 94111

Dear **Madam:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **6/16/82** at **10:10AM**, and assigned re-
recording number(s). **13664**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

L-0008
3/23/82

RECORDATION NO. 13664

JUN 16 1982 10 10 AM

INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement") made as of this 22nd day of March, 1982, between **ITEL CORPORATION, RAIL DIVISION**, a Delaware corporation, Two Embarcadero Center, San Francisco, California, 94111 as the lessor ("Itel Rail") and **MAINE CENTRAL RAILROAD COMPANY**, 242 St. John Street, Portland, Maine, 04102 as the lessee ("Lessee").

1. Scope of Agreement

A. Itel Rail agrees to lease to Lessee, and Lessee agrees to lease from Itel Rail, freight cars 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 collectively the "Cars."

B. It is the intent of the parties to this Agreement that Itel Rail shall at all times be and remain the lessor of all Cars. 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 Cars as provided herein. The term of lease with respect to all of the Cars described on each Schedule shall commence upon the date when all Cars on such Schedule have been delivered as set forth in Section 3A hereof and shall expire on April 11, 1983.

B. The term hereof may be extended for an extended term ("Extended Lease Term") agreed upon by both Itel Rail and Lessee for as many Cars as they both may decide.

3. Supply Provisions

A. Lessee shall confirm in writing to Itel Rail that the specifications of the Cars conform to the specifications of the equipment agreed to by Lessee. Upon such approval by Lessee, and provided this Agreement has not been terminated, Itel Rail shall, at its own expense, remark the Cars with the railroad markings of Lessee. The Cars shall be deemed delivered at 12:00 P.M. on the date of such remarking. Such remarking shall comply with all applicable regulations. The Cars shall be moved to Lessee's railroad line at no cost to Lessee as soon after delivery as is consistent with mutual convenience and economy. Notwithstanding that Lessee may not have immediate physical possession of the Cars leased hereunder, Lessee agrees to pay Itel Rail the rent set forth in this Agreement. To move the Cars to Lessee's railroad line and

insure optimal use of the Cars after the Initial Loading, Itel Rail agrees to assist Lessee in monitoring Car movements and, when deemed necessary by other railroad lines in accordance with ICC and AAR interchange agreements and rules. For the purposes hereof, the term "Initial Loading" shall be defined as the first loading of freight. Lessee agrees that the Initial Loading will take place in the State of Maine for shipment to a destination outside of the State of Maine.

B. Lessee shall give preference, at specific ramp locations, to Itel Rail and shall load the Cars leased from Itel Rail prior to loading substantially similar cars leased from other parties or purchased by Lessee subsequent to the date of this Agreement or interchanged with railroads; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor. During the term of this Agreement, Itel Rail may, at its expense, replace any or all of the Cars with similar flatcars upon prior written notice from Itel Rail to Lessee.

C. Lessee agrees that so long as it shall have on lease any Cars, it shall not lease Cars from any other party until it shall have received all of the Cars on the Schedule or Schedules. Additional Cars shall be leased from Itel Rail by Lessee only upon the mutual agreement of the parties hereto. Upon such agreement, such additional Cars 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 Cars, the delivery of any Car to Lessee shall be subject to manufacturers' delivery schedules, if applicable, financing satisfactory to Itel Rail and the mutual acknowledgment of the parties that the addition of such Cars is not likely to reduce Utilization (as defined in Section 6) of all Cars on lease to Lessee to less than 85 percent and mileage at 175 miles per day in any calendar quarter. If, due to the factors listed in the preceding sentence, fewer than all of the Cars listed on a Schedule shall be delivered to Lessee, the lease term shall be deemed to have commenced on the date the final Car of the most recent group of Cars was accepted by Itel Rail as is set forth in Section 3A.

4. Railroad Markings and Record Keeping

A. 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, maintenance and record keeping functions involving the Cars. Such documents shall include but are not limited to the following: (i) appropriate AAR documents; (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register; and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies.

B. Each Car leased hereunder shall be registered at no cost to Lessee in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. Lessee shall perform all record keeping functions related to the use of the Cars by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules, such as car hire reconciliation.

C. All record keeping performed by Lessee hereunder and all record of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Itel Rail from time to time during regular Lessee business hours. Lessee shall supply Itel Rail

with such reports, including daily telephone reports of the number of Cars on Lessee's tracks, regarding the use of the Cars by Lessee on its railroad line as Itel Rail may reasonably request. Itel Rail shall provide Lessee with such reports, prepared and kept by Itel Rail in the ordinary course of business, regarding the use of Cars, as Lessee shall 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 of the Cars during its lease term and any extension thereof, including but not limited to repairs, maintenance and servicing, unless the same was occasioned by the fault of Lessee. Lessee shall inspect all Cars interchanged to it to insure that such Cars are 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.

B. Except as provided above, Itel Rail shall make or cause to be made such inspections of, and maintenance and repairs to, the Cars as may be required. Upon request of Itel Rail, Lessee shall perform any necessary maintenance and repairs to Cars on Lessee's railroad tracks as may be reasonably requested by Itel Rail. Itel Rail shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition throughout the lease term of such Cars. Lessee may make running repairs to facilitate continued immediate use of a Car, but shall not otherwise make any repairs, alterations, improvements or additions to the Cars without Itel Rail's prior written consent. If Lessee makes an alteration, improvement or addition to any Car without Itel Rail's prior written consent, Lessee shall be liable to Itel Rail for any revenues lost due to such alteration. 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 Cars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Code of Car Service Rules-Freight for freight cars not owned by Lessee on Lessee's railroad tracks. Lessee shall protect Itel Rail against the consequences of an event of loss involving the Cars while in Lessee's possession or control and against the consequences of an event of loss involving bodily injury or property damage by obtaining insurance satisfactory to Itel Rail or by providing self insurance satisfactory to Itel Rail. Notwithstanding the above, during the Initial Lease Term only, Lessee shall not be liable to Itel Rail for the consequences of an event of loss or bodily injury or property damage arising out of the use or operation of the Cars if such event or loss or bodily injury or property damage is directly related to any manufacturing defect with respect to the Cars. Itel Rail shall indemnify Lessee for the consequences of an event of loss or bodily injury or property damage arising out of use or of operation of the Cars, if such event or loss or bodily injury or property damage is directly related to any manufacturing defect with respect to the Cars.

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 Car and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to Lessee or which may be accrued, levied, assessed

or imposed during the lease term, except taxes on income imposed on Lessee and sales or use taxes imposed on the mileage charges and/or car hire revenues. 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 laws requiring the filing of ad valorem tax returns on the Cars. Itel Rail shall prepare all applicable tax returns for filing.

6. Lease Rental

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

(i) Lessee shall receive payments made by other railroad companies for the use or handling of the Cars, including mileage payments, per diem payments, (such payments are hereinafter collectively referred to as "Payments"). The Base Rental shall be equal to the sum of the amount which would have been earned by the Cars on an aggregate basis during each calendar year at Utilization (as defined below) of 85 percent, including Mileage Revenue. Mileage Revenue shall be an amount equal to the applicable charge per line-haul mile specified in the Code of Car Hire Rules and Interpretations-Freight, multiplied by 175 miles per day multiplied by the number of days in the applicable calendar year multiplied by 85 percent multiplied by the number of Cars then subject to this Agreement. For the purpose of this Agreement, Utilization of the Cars shall be determined by a fraction, the numerator of which is the aggregate number of hours in each calendar year that Payments are earned by Lessee on the Cars, commencing from the Initial Loading into revenue service, and the denominator of which is the aggregate number of hours in each calendar year that the Cars are leased to Lessee, commencing from the Initial Loading into revenue service. In addition, Itel Rail will receive, as additional rental, all Payments earned by the Cars prior to the Initial Loading.

(ii) In the event Payments from the Cars during any calendar year exceeds the Base Rental, Itel Rail, shall retain an amount equal to the Base Rental, and Lessee shall receive all of the Payments received in excess of the Base Rental.

(iii) The rental charges payable pursuant to this Agreement shall be paid in the following order until Itel Rail receives the amounts due it pursuant to this Section: (1) incentive per diem charges; (2) per diem; and (3) mileage; and (4) other.

(iv) In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freight and the appropriate amount due as a result thereof is received by Itel Rail, said damaged or destroyed Car will be removed from the coverage of this Agreement as of the date that Payments cease.

B. (i) The calculations required above shall be made within three months after the end of each calendar year. However, since the parties desire that rental payments shall be made currently so that Itel Rail may meet their financial commitments, Lessee shall prepare drafts and deposit drafts or other payment forms covering car hire payments in the bank on or by the 25th of

each month. Lessee shall then pay to Itel Rail, without regard to any right of offset or deduction which any other person may have against Lessor for any reason or any right of offset or deduction which Lessee or any other person may have against Lessor, on the 30th of each month, 85 percent of the total Payments earned, including actual car mileage earnings when available, and estimated earnings based on the current national average miles per day when actual is unavailable. At the time the month's first remittance is made, Lessee shall report for the same month, the dollar figure for 100 percent of the revenue earned. Ten percent of the total car hire revenue shall be remitted to Itel Rail thirty (30) days or one month after the initial monthly payment and the remaining five percent should be remitted to Itel Rail sixty (60) days or two months after the initial payment. Since the parties desire to adjust the amounts paid pursuant to the above more frequently than at the end of each calendar year, Itel Rail shall within three months after the end of each calendar quarter, calculate on a cumulative quarterly basis, the approximate amount of rental payment due Lessee. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculations, provided however, that the following each cumulative quarterly calculation, any amount paid to either party in excess of the amounts required by such quarterly calculations shall be promptly refunded to the appropriate party.

(ii) Itel Rail has the right to request any records including car hire summary and detailed reports Itel Rail deems necessary to substantiate revenue earned and received by Lessee for the use and handling of the Cars. Further, Itel Rail shall retain the right to visit the Lessee at any time during normal business hours to review any and all records required to complete the calculation outlined in Section 6B(i) and 6C.

C. If at any time after the date of this Agreement the Interstate Commerce Commission shall enter any order or stay decreasing the Payments, Itel Rail shall promptly make a monetary equivalent change in the Utilization. The change described in the preceding sentence will be made by changing the number "85 percent and 175 miles" each time it appears in other paragraphs in this Agreement to a percentage which, when multiplied by the then current Base Payment, will provide Itel Rail with an amount equal to the Base Rental Payment as subsequently adjusted by "Routine Change Orders" in effect prior to the effective date of any order or stay decreasing said Payments. Routine Change Orders are defined as orders changing straight car hire, or mileage payments in response to maintenance, labor or other cost variations. However, at no time will the provisions of this paragraph change the number "85 percent and 175 miles" in the other paragraphs of this Agreement to a number lower than "85 percent and 175 miles."

D. (i) If at any time during a calendar quarter, the number of days that the Cars have not earned Payments is such as to make it mathematically certain that the Payments in such calendar quarter cannot be equal to or greater than 85 percent Utilization and 130 miles per day, Itel Rail may, at its option, and upon not less than ten (10) days prior written notice to Lessee, terminate this Agreement, as to such Cars as Itel Rail shall determine; provided, however, that prior to such termination, Lessee may, at its option within ten (10) days of receipt of a notice from Itel Rail, pay Itel Rail, an amount equal to the difference between the Payments Itel Rail received for such calendar quarter and the Payments Itel Rail would have received had the Payments been equal to the 85 percent Utilization and 130 miles per day.

(ii) If at any time during a calendar quarter, the number of days that the Cars have not earned Payments is such as to make it mathematically certain that the Payments in such calendar quarter cannot be equal to or greater than 85 percent Utilization and 130 miles per day, Lessee may, at its option, and upon not less than thirty (30) days prior written notice to Itel Rail, terminate this Agreement, as to such Cars as Lessee shall determine; provided, however, that Itel Rail, using its best efforts, is able to re-lease all of said Cars to another lessee upon substantially the same terms and conditions as those contained in this Agreement; such termination shall be effective upon the remarking of all of said Cars with the railroad markings of such other lessee.

(iii) Notwithstanding the provisions contained in 6A(i) and 6A(ii) above, Lessee will bear no financial responsibility; provided, however, Lessee hereby agrees that no act or omission of Lessee shall result, with respect to Payments due from any other railroad company, in any claimed reduction or offset thereto or defense to the payment thereof; upon the breach of this Agreement, Lessee shall pay to Itel Rail upon demand an amount equal to Payments due but not made by such other railroad company because of such claimed reduction, offset or defense.

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 Cars in accordance with the terms of this Agreement and in the manner and to the extent Cars are customarily used in the railroad freight business. 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 Cars, and Lessee agrees to acknowledge such subordination if requested, 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 cars be returned to such party at no cost to Lessee. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars 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 Cars 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 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 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 which action would substantially impair Lessee's capacity to fulfill its performance under this Agreement.

B. Upon the occurrence of any event of default, Itel Rail may, at its option, terminate this Agreement for all or for such Cars as Itel Rail shall determine (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 Cars, whereupon all right and interest of Lessee in the Cars shall terminate; and thereupon Itel Rail may enter upon any premises where the Cars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee.

9. Termination

Termination of this Agreement shall be effective as to any Car when it has been remarked, loaded and shipped in accordance with the provisions herein contained. Lessee shall accomplish such remarking, loading and shipping no later than one hundred fifty (150) days after the expiration of the Initial Lease Term, or Extended Lease Term, as applicable, or upon the earlier termination of this Agreement, however, if

Itel Rail does not provide Lessee with instructions with respect to remarking, loading and shipping a Car in time for Lessee to so remark, load and ship such Car on or prior to the expiration of said one hundred fifty (150) days, Lessee shall store such Car for Itel's Rail's account and Itel Rail shall pay Lessee, upon receipt of Lessee's invoice therefor, storage and switching charges for such Car, at rates equal to or lower than the lowest rates charged by Lessee to others for such services, until such Car is so remarked, loaded and shipped. Notwithstanding anything to the contrary that may be contained in this Agreement, including, but not limited to, Section 6 hereof, Itel Rail shall be entitled to receive and retain as rent hereunder all (100%) Payments paid by or due from other railroad companies for their use and handling of the Cars on and after the expiration or earlier termination of the Initial Lease Term or Extended Lease Term, as applicable. Upon expiration of the Initial Lease Term, notwithstanding anything to the contrary that may be contained in this Agreement, Lessee shall, at Itel Rail's expense, assemble on its railroad line all Cars leased hereunder and described on all Schedules hereto, remove Lessee's railroad markings therefrom and place such railroad markings thereon as may be designated by Itel Rail. Lessee shall thereafter, as soon as practicable, at Lessee's expense, load the remarked Cars, as Itel Rail shall reasonable request, and send the remarked Cars into Revenue Service. Should Itel Rail deem it necessary to move Cars empty, it shall be at Itel Rail's expense. In the event that the term of this Agreement is extended for an Extended Lease Term, Itel Rail agrees, upon reasonable advance written request of Lessee, with respect to the first Schedule hereto, to affix or cause to be affixed at the direction of Lessee and at Itel Rail's expense, decals, bearing Lessee's logo, to each Car described on all Schedules hereto and then leased hereunder.

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 Cars, usual wear and tear excepted, unless occurring while Lessee has physical possession of Cars and (2) any claim, cause of action, damage, liability, cost or expense which may be asserted against Lessee with respect to the Cars (other than loss or physical damage to the Cars as provided in (1) above) unless occurring through the fault of Lessee, including without limitation the construction, purchase and delivery of the Cars to Lessee's railroad line, ownership, leasing or return of the Cars, 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 Cars 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 Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Immediately upon becoming aware, Lessee shall notify Itel Rail of any accident connected with the malfunctioning or operation of the Cars, 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 Car. 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 Cars to any party, and any purported assignment or sublease in violation hereof shall be void. Itel Rail may assign its interest hereunder, but not its responsibilities, without Lessee's consent.

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 Cars in order to confirm the financing party's interest in and to the Cars, 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 Cars 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 Cars 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 a right, power or further exercise of any other right, power or remedy, except as otherwise provided for herein.

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, in the case of ITEL Rail, to the attention of its president, and in the case of Lessee, to the attention of its executive vice president, or such other person(s) as ITEL Rail or Lessee shall specify in writing.

G. This Agreement contains and expresses the entire agreement and understanding of the parties hereto with respect to the transaction described herein and any matters related thereto.

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

ITEL CORPORATION
RAIL DIVISION

MAINE CENTRAL
RAILROAD COMPANY

By: *Edward J. McDevitt*

By: *A. J. Travis*

Title: *President*

Title: *Executive Vice President*

Date: *May 3, 1982*

Date: *April 29, 1982*

L-0008

EQUIPMENT SCHEDULE NO. 1

Itel Corporation, Rail Division hereby leases the following Cars to Maine Central Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of March 22, 1982.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
FC	70-ton flush deck flatcars for trailer and container service.	MEC 105051-105075	89'	N/A	N/A	N/A	25

ITEL CORPORATION,
RAIL DIVISION

BY: *Edward M. Dea*

TITLE: *President*

DATE: *May 3, 1982*

MAINE CENTRAL
RAILROAD COMPANY

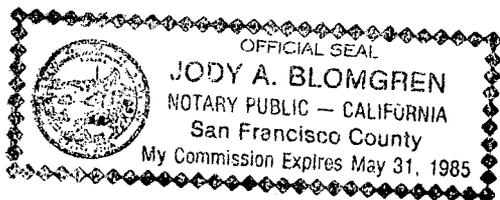
BY: *A. J. Travis*

TITLE: Executive Vice President

DATE: April 29, 1982

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 3rd day of May, 1982, before me personally appeared Edward M. O'Dea, to me personally known, who being by me duly sworn says that such person is President of Itel Corporation, Rail Division, that the foregoing Lease Agreement and Equipment Schedule No. 1 were 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.



Jody A. Blomgren
Notary Public

STATE OF MAINE)
) ss:
COUNTY OF CUMBERLAND)

On this 29th day of April, 1982, before me personally appeared A. J. Travis, to me personally known, who being by me duly sworn says that such person is Executive Vice President of Maine Central Railroad Company, that the foregoing Lease Agreement and Equipment Schedule No. 1 were 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.

Alvin H. Foley
Notary Public

MY COMMISSION EXPIRES
AUGUST 21, 1988

ITEL RAIL

55 Francisco
San Francisco, California 94133
(415) 955-9090
Telex 34234

November 17, 1983

RECORDATION NO. *13664* 1425

DEC 7 1983 -9 05 AM

INTERSTATE COMMERCE COMMISSION

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Ms. Mergenovich:

This is to request that you cross-index the Consolidated, Amended, and Restated Equipment Trust Agreement, dated as of January 1, 1982, which was filed under I.C.C. Recordation No. 14165, on September 20, 1983 at 3:00 p.m., with the following documents:

1. Lease between Itel Corporation, Rail Division and Apalachicola Northern Railroad, dated January 25, 1977 and filed under I.C.C. Recordation No. 8796, on April 27, 1977 at 12:45 p.m.
2. Lease between Itel Corporation, Rail Division and Arcata and Mad River Railroad, dated July 10, 1978, and filed under I.C.C. Recordation No. 10034, on January 19, 1979 at 2:10 p.m.
3. Lease between Itel Corporation, Rail Division and Atchison, Topeka and Santa Fe Railway Co., dated May 14, 1982, and filed under I.C.C. Recordation No. 13706, on July 26, 1982 at 1:45 p.m.
4. Lease between Itel Corporation, Rail Division and New Orleans Public Belt Railway, dated October 26, 1978, and filed under I.C.C. Recordation No. 10033, on January 19, 1979 at 2:10 p.m.
5. Lease between Itel Corporation, Rail Division and Atchison, Topeka and Santa Fe Railway Co., dated July 30, 1982, and filed under I.C.C. Recordation No. 13818, on October 26, 1982 at 12:40 p.m.

6. Lease between Itel Corporation, Rail Division and Cadiz Railroad, dated November 10, 1976, and filed under I.C.C. Recordation No. 8654, on January 10, 1977 at 2:05 p.m.
7. Lease between Itel Corporation, Rail Division and Camino, Placerville and Lake Tahoe Railroad Co., dated February 9, 1977, and filed under I.C.C. Recordation No. 8798 on April 27, 1977
8. Lease between Itel Corporation, Rail Division and Crab Orchard and Egyptian Railroad, dated June 21, 1978, and filed under I.C.C. Recordation No. 9936, on December 22, 1978 at 3:55 p.m.
9. Lease between Itel Corporation, Rail Division and Detroit, Toledo and Ironton Railway Co., dated March 10, 1981, and filed under I.C.C. Recordation No. 13077, on April 30, 1981 at 2:25 p.m.
10. Lease between Itel Corporation, Rail Division and East Camden and Highland, dated April 26, 1978, and filed under I.C.C. Recordation No. 9756, on October 11, 1978 at 2:45 p.m.
11. Lease between Itel Corporation, Rail Division and Green Bay and Western Railroad Company, dated October 21, 1981, and filed under I.C.C. Recordation No. 13554, on February 18, 1982 at 2:40 p.m.
12. Lease between Itel Corporation, Rail Division and Green Bay and Western Railroad Company, dated March 8, 1979, and filed under I.C.C. Recordation No. 10362, on May 10, 1979 at 2:00 p.m.
13. Lease between Itel Corporation, Rail Division and Maine Central Railroad Company, dated March 22, 1982, and filed under I.C.C. Recordation No. 13664, on June 16, 1982 at 10:10 a. m.
14. Lease between Itel Corporation, Rail Division and Maine Central Railroad Company, dated April 11, 1980, and filed under I.C.C. Recordation No. 11899, on June 11, 1980 at 11:25 a.m.
15. Lease between Itel Corporation, Rail Division and New Orleans Public Belt Railway, dated June 17, 1977, and filed under I.C.C. Recordation No. 8904, on July 26, 1977 at 9:15 a.m.

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16. Lease between Itel Corporation, Rail Division and Port Huron and Detroit Railroad Co., dated February 22, 1977, and filed under I.C.C. Recordation No. 8799 on April 27, 1977 at 12:45 p.m.
17. Lease between Itel Corporation, Rail Division and Rahway Valley Railroad, dated September 19, 1978, and filed under I.C.C. Recordation No. 10111, on February 14, 1979 at 12:30 p.m.
18. Sublease between Texas Mexican Railroad Co. and Soo Line Railroad, dated April 11, 1983, and filed under I.C.C. Recordation No. 14066, on June 21, 1983 at 3:00 p.m.
19. Lease between Itel Corporation, Rail Division, and Soo Line Railroad Co., dated February 17, 1983, and filed under I.C.C. Recordation No. 14002 on April 11, 1983 at 1:05 p.m.
20. Lease between Itel Corporation, Rail Division and Texas Mexican Railroad Co., dated March 15, 1978, and filed under I.C.C. Recordation No. 9778, on October 17, 1978 at 3:30 p.m.
21. Lease between Itel Corporation, Rail Division and Toledo, Peoria and Western Railroad Co., dated September 10, 1980, and filed under I.C.C. Recordation No. 12314 on October 16, 1980 at 2:40 p.m.
22. Lease between Itel Corporation, Rail Division and Valley and Siletz Railroad, dated July 26, 1978, and filed under I.C.C. Recordation No. 10032 on January 19, 1979 at 2:10 p.m.
23. Lease between Itel Corporation, Rail Division and Providence and Worcester Co., dated March 13, 1978, and filed under I.C.C. Recordation No. 9924, on December 19, 1978 at 2:45 p.m.
24. Assignment between Providence and Worcester Company and Warwick Railway Corp., dated April 24, 1980, and filed under I.C.C. Recordation No. 9924-E, on October 17, 1980 at 12:45 p.m.
25. Lease between Itel Corporation, Rail Division and Arkansas and Louisiana Missouri Railroad, dated June 14, 1977, and filed under I.C.C. Recordation No. 9049, on October 21, 1977 at 1:05 p.m.

26. Lease between Itel Corporation, Rail Division and Atlanta and St. Andrews Bay Railway Co., dated May 5, 1978, and filed under I.C.C. Recordation No. 9703, on September 22, 1978 at 2:15 p.m.

27. Lease between Itel Corporation, Rail Division and Greenville and Northern Railroad Co., dated August 6, 1976, and filed under I.C.C. Recordation No. 9102, on November 25, 1977 at 1:15 p.m.

28. Lease between Itel Corporation, Rail Division and Marinette, Tomahawk and Western Railroad Co., dated December 23, 1977, and filed under I.C.C. Recordation No. 9406, on May 26, 1978 at 2:30 p.m.

29. Lease between Itel Corporation, Rail Division and North Louisiana and Gulf Railroad Co., dated July 21, 1977, and filed under I.C.C. Recordation No. 9073, on November 10, 1977 at 2:20 p.m.

30. Lease between Itel Corporation, Rail Division and Escanaba and Lake Superior Railroad Company, dated December 22, 1976, and filed under I.C.C. Recordation No. 8653, on January 10, 1977 at 2:20 p.m.

31. Lease between SSI Rail Corp. and Lake Erie, Franklin and Clarion Railroad, dated January 3, 1977, and filed under I.C.C. Recordation No. 8668, on January 21, 1977 at 2:30 p.m.

32. Lease between SSI Rail Corp. and Minnesota, Dakota and Western Railroad, dated July 26, 1978, and filed under I.C.C. Recordation No. 10129, on February 22, 1979 at 11:40 a.m.

33. Lease between SSI Rail Corp. and Pearl River Valley Railroad Co., dated March 24, 1976, and filed under I.C.C. Recordation No. 8487-A, on August 27, 1976 at 1:30 p.m.

34. Lease between SSI Rail Corp. and Sierra Railroad Co., dated September 27, 1978, and filed under I.C.C. Recordation No. 10152, on February 26, 1979 at 2:30 p.m.

35. Sublease between McCloud River Railroad Co. and Camino, Placerville and Lake Tahoe Railroad Co., dated January 24, 1980 and filed under I.C.C. Recordation No. 8819-G, on May 5, 1980 at 3:15 p.m.

36. Lease between SSI Rail Corp., and McCloud River Railroad Co., dated April 20, 1977, and filed under I.C.C. Recordation No. 8819, on May 11, 1977 at 1:15 p.m.
37. Lease between SSI Rail Corp., and City of Prineville Railway Co., dated April 26, 1977, and filed under I.C.C. Recordation No. 8896 on July 20, 1977.
38. Lease between Itel Corporation, Rail Division and Kyle Railways, Inc., dated February 17, 1982, and filed under I.C.C. Recordation No. 13666, on June 17, 1982 at 10:50 a.m.
39. Sublease between Kyle Railways, Inc. and Natcheez Trace Railroad, dated February 18, 1982, and filed under I.C.C. Recordation No. 13666-B, on June 17, 1982 at 10:50 a.m.
40. Sublease between McCloud River Railroad Co. and Sierra Railroad Co., dated August 29, 1980, and filed under I.C.C. Recordation No. 8819-N, on September 16, 1980 at 1:35 p.m.
41. Lease between SSI Rail Corp. and Terminal Railway of Alabama, dated April 4, 1977, and filed under I.C.C. Recordation No. 8797, on April 27, 1977 at 12:45 p.m.
42. Lease between SSI Rail Corp. and Toledo, Peoria and Western Railroad Co., dated January 12, 1977, and filed under I.C.C. Recordation No. 8676, on January 24, 1977 at 2:45 p.m.
43. Lease between Itel Corp. and Ashley, Drew and Northern Railway Co., dated March 29, 1977, and filed under I.C.C. Recordation No. 8837 on May 27, 1977.
44. Lease between SSI Rail Corp. and Corinth and Counce Railroad Company, dated April 29, 1977, and filed under I.C.C. Recordation No. 8838, on May 27, 1977 at 1:45 p.m.
45. Lease between Itel Corporation, Rail Division and Green Bay and Western Railroad Co., dated April 22, 1981, and filed under I.C.C. Recordation No. 13073, on April 30, 1981 at 10:50 a.m.
46. Lease between Itel and Meridian and Bigbee Railroad Company, dated June 1, 1977, and filed under I.C.C. Recordation No. 9072, on November 10, 1977 at 2:20 p.m.

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47. Lease between Itel Rail and Apache Railway, dated June 1, 1976, and filed under I.C.C. Recordation No. 8709, on February 23, 1977 at 11:40 a.m.

48. Lease between Itel Corporation, Rail Division and Clarendon & Pittsford Railroad Co., dated October 18, 1976, and filed under I.C.C. Recordation No. 8658, on January 12, 1977 at 1:45 p.m.

49. Lease between Itel Corporation, Rail Division and FMC/Chemical Group, dated December 3, 1976, and filed under I.C.C. Recordation No. 8809-A, on May 11, 1977 at 1:15 p.m.

50. Lease between SSI Rail Inc., and Green Mountain Railroad Co., dated January 2, 1976, and filed under I.C.C. Recordation No. 9050, on October 21, 1977 at 1:05 p.m.

51. Lease between Itel Corporation, Rail Division and Hartford & Slocumb Railway Co., dated July 1, 1975, and filed under I.C.C. Recordation No. 9168, on January 9, 1978 at 2:05 p.m.

52. Lease between Itel Corporation, Rail Division and Lake Erie, Franklin and Clarion Railroad, dated January 3, 1977, and filed under I.C.C. Recordation No. 8853-A, on June 1, 1977 at 1:10 p.m.

53. Lease between Itel Corporation, Rail Division and McCloud River Railroad, dated April 20, 1983, and filed under I.C.C. Recordation No. 14029, on May 27, 1983 at 1:40 p.m.

54. Lease between Itel Corporation, Rail Division and Mississippi Export Railway Co., dated April 25, 1978 and filed under I.C.C. Recordation No. 9460, on June 27, 1978 at 8:50 a.m.

55. Lease between Itel Corporation, Rail Division and Sabine River and Northern Railroad Co., dated December 23, 1977, and filed under I.C.C. Recordation No. 9407, on May 26, 1978 at 2:30 p.m.

56. Lease between Itel Corporation, Rail Division and Valdosta Southern Railway Co., dated March 26, 1976, and filed under I.C.C. Recordation No. 8343-A on May 25, 1976 at 10:45 p.m.

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57. Lease between Itel Corporation, Rail Division and Valdosta Southern Railway Co., dated December 23, 1977, and filed under I.C.C. Recordation No. 9400, on May 26, 1978 at 2:30 p.m.

58. Lease between Itel Corporation, Rail Division and Vermont Railway Co., dated December 4, 1975, and filed under I.C.C. Recordation No. 9279 on March 13, 1978 at 2:20 p.m.

Enclosed is a check in the amount of \$580.00 covering the appropriate cross-indexing fees. If you have any questions please feel free to contact me at (415) 955-0547.

Sincerely,



Patricia Salas Pineda
Counsel

PSP:dmm
Enclosures

ITEL RAIL CORPORATION
INDEX TO CROSS-INDEXING
REQUESTED
IN LETTER OF NOVEMBER 17, 1983

Each ICC Recordation No. listed below to be cross-indexed to (1) Recordation No. 14165, and (2) all Recordation Nos. listed below to be cross-indexed under Recordation No. 14165.

<u>ICC RECORDATION NO.</u>	<u>PARAGRAPH NO. IN LETTER OF NOVEMBER 17, 1983</u>
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