

# ITEL

RECORDATION NO. 11898 Filed 1425

JUN 11 1980 - 11 25 AM

### Rail Division

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

0-163A041

No.

Date JUN 11 1980

Fee \$ 70.00

ICC Washington, D. C.

May 7, 1980

Ms. Agatha Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, DC 20423

Re: Lease Agreement,  
made as of April 9, 1980  
between Itel Corporation  
and American President Lines, Ltd.

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, five (5) executed counterparts of the following document:

Lease Agreement, made as of April 9, 1980, between Itel Corporation and American President Lines, Ltd.

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

- (1) Itel Corporation, Rail Division  
Two Embarcadero Center, 24th floor  
San Francisco, California 94111
- (2) American President Lines, Ltd.  
1950 Franklin Street  
Oakland, California 94612

Please cross-index the above-referenced Lease Agreement with the following documents, which are filed under Recordation Nos. 9663-A and 9760, respectively:

Equipment Lease Agreement, dated as of August 15, 1978, between Pittsburgh National Bank and Itel Corporation; and

Lease of Railroad Equipment, dated as of October 1, 1978, between Wells Fargo Transport Leasing Corporation and Itel Corporation.

RECEIVED  
JUN 11 11 15 AM '80  
I.C.C. REGISTRATION BR.

*C. Country - May Michael D. Dupont*

Ms. Agatha Mergenovich, Secretary  
Interstate Commerce Commission  
Re: Lease Agreement  
May 7, 1980  
Page two

The equipment covered by the enclosed Lease Agreement is eighty (80) boxcars (A.A.R. mechanical designation FC; 89'6" in length), marked APLX 17001 through and including APLX 17080.

Enclosed also is a check for \$70.00 for the required recordation (\$50.00) and cross-indexing (\$20.00) fees.

Please stamp all counterparts of the enclosed document 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 four (4) counterparts be delivered to the bearer of this letter.

Sincerely,



David V. Biesemeyer  
Senior Counsel

DVB:cp  
encls.

cc: Robert T. Smith, Vice President, Pittsburgh National Bank  
Charles A. Greenberg, Senior Vice President, Wells Fargo Transport Leasing  
Corporation  
Steven C. Wight

**Interstate Commerce Commission**  
Washington, D.C. 20423

6/11/80

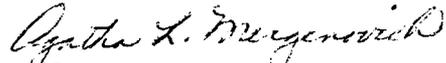
OFFICE OF THE SECRETARY

**David V. Biesemeyer**  
**Itel Corp. Rail Div.**  
**Two Embarcadero Center**  
**San Francisco, Calif. 94111**

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 **6/11/80** at **11:25am** , and assigned re-  
recording number (s). **11898, 11899, 9663-C, 9760-B**

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure (s)

L-0023  
4/8/80

11898  
RECORDATION NO. .... Filed 1425

JUN 11 1980 - 11 25 AM

**LEASE AGREEMENT**

INTERSTATE COMMERCE COMMISSION

**THIS LEASE AGREEMENT ("Agreement")**, made as of this 9th day of April, 1980, between **ITEL CORPORATION, RAIL DIVISION**, a Delaware corporation, Two Embarcadero Center, San Francisco, California, 94111 ("Itel Rail"), as the lessor, and **AMERICAN PRESIDENT LINES, LTD.**, a Delaware corporation ("Lessee"), as the 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 and effect until it shall be terminated as to all of the Cars as provided herein. The term of the lease with respect to all of the Cars described on each Schedule shall be for three (3) years (the "Lease Term") commencing on the date when all of the Cars have been delivered, as set forth in Section 3A hereof (the "Commencement Date").

B. Lessee may at its option, upon not less than one hundred and twenty (120) days prior written notice to Itel Rail, terminate this Agreement as to all of the Cars, provided however, that such notice may not be given prior to the 365th day of the Lease Term. If Lessee so elects to terminate this Agreement prior to the end of the Lease Term, Lessee shall pay, at the time notice of such termination is given to Itel Rail, to Itel Rail \$625.00 for each Car then leased under this Agreement.

**3. Delivery Provisions**

A. Lessee hereby approves the Cars as described on any Schedule and agrees to accept said Cars upon their delivery as specified below for all purposes of this Agreement. Delivery shall be deemed to have taken place with respect to the first forty (40) Cars at twelve (o'clock) noon P.S.T. on the day that the fortieth (40th) Car is interchanged from Boston and Maine Railroad Company to Consolidated Rail Corporation at Springfield, Massachusetts. Delivery for the second forty (40) Cars shall be deemed to have taken place at twelve (o'clock) noon P.S.T. on the day that the eightieth (80th) Car is interchanged from Boston and Maine to Consolidated Rail Corporation at Springfield, Massachusetts.

B. 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 and the approval of Itel Rail's financing sources. 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, as to those Cars delivered, shall be deemed to have commenced on the date the last Car of that group of Cars was delivered 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 Cars to Lessee, said Cars will be lettered with the railroad markings of Lessee 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 rules and regulations.

B. Lessee shall, during the term of this Agreement, file all documents relating to the registration and record-keeping functions involving the Cars. Such documents shall include, but not be limited to, the following: (i) appropriate Association of American Railroads ("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 Interstate Commerce Commission ("ICC") and/or other regulatory agencies. Lessee shall obtain, before the Commencement Date with respect to Car, any permission which may be necessary for the operation of such Car under AAR Circular OT5 or under any other circulars or regulations that may be in force on the Commencement Date or at any time during the term of this Agreement ("Permission") and to maintain any Permission in force throughout the term of this Agreement.

C. Lessee shall perform all record-keeping functions related to the use of the Cars by Lessee and other railroads such as car hire reconciliation, but specifically excluding maintenance, repair and billing related thereto, in accordance with AAR railroad interchange agreements and rules. Correspondence from railroads using such Cars shall be addressed to Lessee at such address as Itel Rail shall select.

D. All record-keeping performed by Lessee hereunder and all records 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.

E. Itel Rail shall, on behalf of Lessee, perform all record-keeping functions related to the repair and maintenance of the Cars. Correspondence relating to such repair and maintenance of the Cars shall be addressed to Lessee at such address as Itel Rail shall select.

#### **5. Maintenance, Taxes and Insurance**

A. Except as otherwise provided herein, Itel Rail will pay all costs, expenses, fees and charges incurred by Itel Rail or Lessee in connection with the use and

operation of each of the Cars during the Lease Term hereof, including but not limited to repairs, maintenance and servicing, unless the same was occasioned by the fault of Lessee. 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 as specified in the AAR interchange rules throughout the term hereof.

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. Lessee shall not 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 and, at the option of Itel Rail, for the cost to return such Car to conformance with its original specifications. As between Lessee and Itel Rail, title to any such alteration, improvement or addition shall be and remain with Itel Rail.

C. Itel Rail shall protect against the consequences of an event of loss involving the Cars by obtaining physical loss and damage, all risks insurance in the full value of the Cars. Itel Rail shall also maintain bodily injury and property damage liability insurance, with limits of not less than \$250,000 per person/\$500,000 per occurrence (bodily injury) and \$250,000 (property damage) respectively.

D. Itel Rail agrees to pay all taxes resulting from ad valorem tax assessments on the Cars or any assessment, levy or impost relating to each Car and on the lease or delivery thereof which remains unpaid as of the date of delivery of such Cars to Lessee or which may be accrued, levied, imposed or assessed during the term of this Lease, except taxes on income imposed on Lessee, gross receipts or sales and use tax imposed on the mileage charges and/or car hire revenue. Itel Rail may, in good faith and by appropriate proceedings, contest any assessment, notification of assessment or tax bill. Itel Rail shall assume full responsibility for all expenses including legal fees resulting from such contest.

## 6. Rent

The fixed rent ("Fixed Rent") during the Lease Term hereof payable with respect to each of the Cars shall be \$10.60 per Car per day for the first year, \$11.71 per Car per day for the second year, and \$12.80 per Car per day for the third year, to be paid on a monthly basis one month in arrears on the tenth (10th) day of the month (the "Rent Date").

### A. Fixed Rent

The first rent date (the "First Rent Date") for a Car shall be the tenth (10th) day of the month immediately following the month in which the delivery of that Car occurred. The Lessee shall pay to Itel Rail as rent for each Car the following:

(i) On the First Rent Date, an amount equal to the Fixed Rent from and including the date of delivery to and including the last day of the month in which such delivery occurred, and

(ii) Monthly thereafter, on the tenth (10th) day of the month, an amount equal to the Fixed Rent for each Car multiplied by the number of days in the prior month. To the extent not otherwise stated, all other amounts payable

hereunder shall be payable on demand. With respect to any amount not paid when due hereunder, the Lessee shall pay to Itel Rail interest on such overdue amount at the rate of one-and-one-half percent (1½%) per month. Such late charge and interest shall only apply if permitted by applicable law, and, if not so permitted, the late charge and interest shall be calculated at the maximum rates permitted by applicable law.

#### **B. Additional Rent**

During the Lease Term, commencing on the fourth (4th) day after delivery, Lessee shall pay to Itel Rail, as provided in subsections 6.C. and 6.D. below, the additional rent ("Additional Rent"), which shall be defined as the product obtained by multiplying \$0.0395 by the Actual Mileage, as defined below, travelled by the Cars during the applicable Service Month. Service Month shall be defined as any month in which car hire payments, including, but not limited to, mileage charges, are earned for the use or handling of the Cars by railroad companies. For the purposes of this Agreement, Actual Mileage shall be defined as the miles travelled by the Cars during a Service Month for which mileage charges are earned. Lessee shall submit to Itel Rail with the Additional Rent, a report setting forth the Actual Mileage.

#### **C. Estimated Additional Rent**

In order for Itel Rail to meet its financial commitments, Lessee shall remit to Itel Rail during the Lease Term on each Rent Date the Estimated Additional Rent, which shall be defined as the product obtained by multiplying \$0.0395 by the estimated number of miles travelled by the Cars during the calendar month prior to that Rent Date (the "Estimated Mileage"). Lessee shall submit with the Estimated Additional Rent a report for Estimated Mileage specifying the date, destination and routing of the Cars, estimated total miles travelled by the Cars for such calendar month, and any other information deemed necessary by the Lessee to determine Estimated Mileage.

#### **D. Reconciliation of Additional Rent**

(i) In the event that the Additional Rent exceeds the Estimated Additional Rent paid by Lessee, Lessee shall submit to Itel Rail one hundred sixty-five (165) days after the end of the applicable Service Month, an amount equal to the difference between the Additional Rent and the Estimated Additional Rent paid by Lessee for the corresponding Service Month.

(ii) In the event that the Estimated Additional Rent exceeds the Additional Rent, Itel Rail shall pay to Lessee within twenty (20) days of receipt from Lessee of the report setting out the Actual Mileage and the Additional Rent owed by Lessee to Itel Rail, the difference between the Estimated Additional Rent paid by Lessee and the Additional Rent earned by the Cars for the Service Month.

(iii) In the event that the Estimated Additional Rent paid by Lessee is equal to the Additional Rent, Lessee shall provide to Itel Rail one hundred sixty-five (165) days after the end of the applicable Service Month, the report as referenced in section 6.C. setting forth the Actual Mileage.

#### **E. Abatement of Fixed Rental**

If any of the Cars becomes unfit for service and shall be held in railroad or car shops for repairs, and shall remain therein for a period in excess of five (5)

consecutive days, Fixed Rental payable by Lessee to Itel Rail shall cease beginning on day six (6) after date of delivery of such Car to such railroad or car shop for repairs until the date such Car is released from such railroad or car shop.

#### **F. Loss or Destruction**

In the event it is determined that a Car is lost, destroyed or damaged beyond repair in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Rule 7 of the AAR Code of Car Hire Rules and Interpretations--Freight, said Car shall be removed from the coverage of this Lease on the date Itel Rail issues a depreciated value statement on said Car.

#### **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 or other financing of Cars, 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. 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 (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 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.

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. Return of Cars

Upon termination of this Agreement, Lessee, at its sole expense, shall return each of the Cars, and each part thereof, to Itel Rail at any location specified by Itel Rail within five hundred (500) miles of the delivery destination at which Itel Rail delivered the Cars to Lessee pursuant to Section 3A, or to such other point or points as may be mutually agreed upon by Itel Rail and Lessee. (Such Cars, upon redelivery pursuant hereto, shall be free and clear of all mortgages, liens, security interests, charges, claims or other encumbrances ("Liens") other than Liens either (i) created or granted by Itel Rail, including any such Liens created or granted in connection with the purchase or financing of the Cars, or (ii) resulting from claims against Itel Rail not related to Itel Rail's ownership of the Cars.) In the event that any Car listed on such Schedule is not redelivered to Itel Rail on or before the date of expiration of the lease term (hereafter the "Expiration Date"), at Itel Rail's sole option, all of the obligations of Lessee under this Agreement, with respect to all Cars on such Schedule, shall remain in full force and effect until all such Cars are redelivered to Itel Rail; provided, however, that the Fixed Rent for all Cars during such period shall be one-and-one-half (1½) times the pro rata fixed rate of the rent as applicable to such Cars.

## 10. Indemnities

Itel Rail will defend, indemnify and hold Lessee harmless from and against (i) any and all loss or damage of or to the Cars, usual wear and tear excepted, unless

the same was occasioned by the fault of Lessee, and (ii) 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 (i) 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, insofar as is material to Itel Rail's rights under this Agreement, 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 such that Lessee's ability to perform its obligations hereunder would be materially and adversely affected.

(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. Lessee shall, upon having knowledge thereof, immediately 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 Lessee first has knowledge that any attachment, tax lien or other judicial process shall attach to any Car.

### **13. Non-discrimination in Employment**

As a U.S. Government contractor, Lessee is prohibited from contracting with parties engaged in discriminatory employment practices proscribed by Executive Order 11246, as amended, and all other relevant federal, state and local statutes, rules and regulations. ITEL Rail agrees not to unlawfully discriminate in its employment practices and whenever applicable shall comply with the provisions of 41CFR 60-1 et seq, 41CFR 60-2 et seq. (Revised Order No. 4), 41CFR 250 et seq, and 41CFR 60-741 et seq. ITEL Rail certifies that it does not or will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. ITEL Rail agrees that a breach of this provision is a breach of this Agreement. As used in this provision, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities, provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom or otherwise.

### **14. 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.

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 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 DIVISION

AMERICAN PRESIDENT LINES, LTD.

By: Carl M. Taylor

By: [Signature]

Title: President

Title: V.P. Line Operations

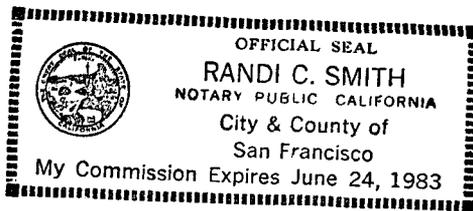
Date: 4/30/80

Date: 9 APRIL 1980

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

On this 30th day of April, 1980, before me personally appeared Carl N. Taylor, 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 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.

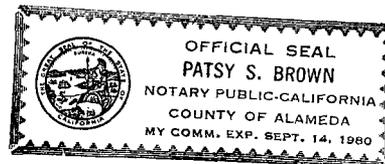
Randi C. Smith  
Notary Public



STATE OF CALIFORNIA )  
 )  
COUNTY OF ALAMEDA ) ss:

On this 9th day of April, 1980, before me personally appeared RICHARD L. HILL, to me personally known, who being by me duly sworn says that such person is a Vice President of American President Lines, Ltd., that the foregoing Lease Agreement 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.

Patsy S. Brown  
Notary Public



EQUIPMENT SCHEDULE NO. 1

Itel Corporation, Rail Division hereby leases the following Cars to \_\_\_\_\_  
 American President Lines, Ltd. \_\_\_\_\_ subject to  
 the terms and conditions of that certain Lease Agreement dated as of \_\_\_\_\_  
April 9, 1980.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions			Doors Width	No. of Cars
			Length	Inside Width	Height		
FC	70-ton flush deck flatcars for trailer and container service.	APLX 17001- 17080	89'	N/A	N/A	N/A	80

ITEL CORPORATION, RAIL DIVISION

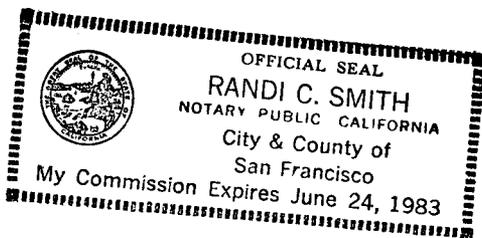
BY: Carl H. Taylor  
 TITLE: President  
 DATE: 4/30/80

AMERICAN PRESIDENT LINES, LTD.

BY: Richard S. Hill  
 TITLE: V.P. LIANO OPERATIONS  
 DATE: 9 APRIL 1980

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

On this 30th day of April, 1980, before me personally appeared Carl N. Taylor, 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. 1 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.



Randi C. Smith  
Notary Public

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF ALAMEDA )

On this 9th day of April, 1980, before me personally appeared RICHARD L. HILL, to me personally known, who being by me duly sworn says that such person is a Vice President of American President Lines, Ltd., that the foregoing Equipment Schedule No. 1 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.

Patsy S. Brown  
Notary Public

