

# ITEL

April 10, 1987

**IteI Rail Corporation**

55 Francisco Street  
San Francisco, California 94133  
(415) 984-4000

4/23/87  
10-00

Hon. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, DC 20423

RECORDATION NO. 1459

APR 23 1987 2:00 PM

INTERSTATE COMMERCE COMMISSION

**Re: Amendment No. 4 dated April 3, 1987 to the Lease Agreement dated October 15, 1984, between IteI Rail Corporation and Apalachicola Northern Railroad Company**

Dear Ms. McGee:

On behalf of IteI Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to U.S.C. §11303(a), along with a check in the amount of \$10 covering the recordation fee.

Please record this Amendment under the Lease Agreement dated October 15, 1984, between IteI Rail Corporation and Apalachicola Northern Railroad Company, which was filed with the ICC on March 13, 1985, and given Recordation No. 14594.

The parties to the aforementioned instrument are listed below:

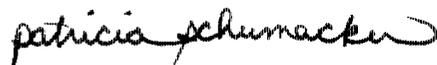
IteI Rail Corporation (Lessor)  
55 Francisco Street  
San Francisco, California 94133

Apalachicola Northern Railroad Company (Lessee)  
300 First Street  
Port St. Joe, Florida 32456

This Amendment adds to the Lease Agreement one hundred (100) 50', XM boxcars bearing reporting marks AN 5815-5875 and AN 2202-2240.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,



Patricia Schumacker  
Legal Department

:ps  
Enclosures

cc: Marianne Ledda

03/27/87

RECORDATION NO. 14394 *[Signature]* Recorded

AMENDMENT NO. 4

APR 23 1987 2-55 PM

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT NO. 4 (the "Amendment") to that certain Lease Agreement dated as of October 15, 1984, as amended, (the "Agreement") between ITEL RAIL CORPORATION ("Lessor") and APALACHICOLA NORTHERN RAILROAD COMPANY ("Lessee") is made as of this 3rd day of April, 1987 between Lessor and Lessee.

RECITALS:

- A. Lessor and Lessee are parties to the Agreement pursuant to which two hundred one (201) boxcars bearing the reporting marks AN 2001-2201 have been leased by Lessor to Lessee (such boxcars, together with the boxcars listed on the Equipment Schedule attached hereto, the "Cars").
- B. Lessor and Lessee desire to add one hundred (100) Cars to the Agreement upon the full execution of the Amendment and, at any time thereafter, fifty (50) more Cars solely at Lessor's option (such Cars, collectively the "Additional Cars and individually, "Additional Car").

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree to amend the Agreement as follows:

- 1. All terms defined in the Agreement shall have the meanings defined therein when used in this Amendment.
- 2. This Amendment shall become effective upon its full execution.
- 3. Equipment Schedule No. 3 attached hereto is hereby added to the Agreement.
- 4. The Additional Cars shall be added to the Agreement at any time, at Lessor's sole option. Lessor and Lessee agree to further amend the Agreement to effect the addition of the Additional Cars at such time Lessor decides such Additional Cars are to be added to the Agreement, but such Additional Cars shall be governed by the Agreement as amended hereby.
- 5. With respect only to the Cars on Equipment Schedule No. 3 and to the Additional Cars when added to the Agreement, Section 2 of the Agreement is replaced by the following:

"2. Term

The term of the Agreement with respect to each Car described on Equipment Schedule No. 3 shall commence at 12:01 a.m. on the date and at the location that such Car is remarked pursuant to Subsection 3.A., and shall expire as to all of the Cars described on Equipment Schedule No. 3, five (5) years from the date on which

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

ASSIGNED TO FIRST SECURITY BANK OF UTAH, N.A., TRUSTEE, UNDER A LEASE ASSIGNMENT.

the first Car on Equipment Schedule No. 3 was remarked (the "Term"). With respect to each Additional Car, the term of the Agreement shall commence at 12:01 a.m. on the date and the location that each Additional Car is remarked pursuant to Subsection 3.A., and shall expire as to all of the Additional Cars five (5) years from the date on which the first Additional Car was remarked (the "Term"). The Agreement may be extended only upon mutual agreement of the parties hereto."

6. With respect only to the Cars on Equipment Schedule No. 3, and to the Additional Cars if and when added to the Agreement, Subsection 3.A. of the Agreement is amended by replacing the second sentence with:

"Lessor shall, at Lessor's expense, commence remarking the Cars with the railroad markings of Lessee in compliance with all applicable regulations within thirty (30) days of the full execution of Amendment No. 4 to the Agreement with respect to the Cars described on Equipment Schedule No. 3, and within thirty (30) days of the full execution of any amendment to the Agreement effecting the addition of the Additional Cars."

7. With respect to the Cars bearing the reporting marks within the series AN 2001-2240 and AN 5815-5875 only, Subsection 5.C. is amended by replacing the words "... Lessor and any assignee of Lessor ..." each time they appear with the words "... Lessor, Heller Financial Inc., and any assignee of Lessor and of Heller Financial, Inc. ..."

8. Subsection 7.A. is deleted in its entirety and replaced by the following:

**7. Rent**

**A. Definitions**

- (i) 'Eligible Lines' is defined as the railroad lines owned and operated by Lessee as of the commencement date of this Agreement. Unless otherwise agreed by Lessor and Lessee, any lines purchased by Lessee or added to the Eligible Lines during the Initial Term or any Extended Term are deemed to be the lines of another railroad company for the purposes of determining Revenues (as defined in Subsection 7.A.(iii) hereinbelow).
- (ii) 'Revenue Rates' is defined as the hourly and mileage car hire rates prescribed for excluded boxcars under the Commission's decision in ICC Ex Parte No. 346, Sub-No. 19 served September 12, 1986, set forth in the Appendix to such decision in paragraph (c)(3) of 49 C.F.R. 1039.14.
- (iii) 'Revenues' is defined as the total revenues earned and collected or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines,

including, but not limited to, per diem and mileage, whether or not collected and received by Lessor and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee."

9. With respect only to the Cars on Equipment Schedule No. 3 and to the Additional Cars if and when added to the Agreement, the first sentence of Subsection 7.C.(ii) of the Agreement shall be deleted and shall be replaced by the following:

10. Subsection 7.D. is deleted and replaced by the following:

"7.D. In the event that during the Term, (i) Lessee has provided a total of not less than two hundred (200) loads to be shipped beyond the Eligible Lines ("Outbound Loads") in the Cars bearing the reporting marks AN 2202-2240 and AN 5815-5875, and (ii) more than three hundred (300) boxcars bearing AN reporting marks which are leased to Lessee by Lessor, including the Cars, are on the Eligible Lines at one time, and (iii) Lessee shall have furnished Lessor with the reporting marks and numbers of all such Cars that are on the Eligible Lines, then Lessor shall move up to three hundred (300) such boxcars in excess of the three hundred (300) boxcars ('Excess Boxcars') off the Eligible Lines at Lessor's expense. Within twenty-four (24) hours of receiving such notification from Lessee (and only in the event that such notification is received on a weekday other than Friday or the day before an observed holiday), Lessor shall provide Lessee with the disposition desired for up to one hundred (100) of the Excess Boxcars."

11. In the event that the Additional Cars are added to the Agreement, Subsection 7.D. (as amended hereinabove) shall be replaced by the following:

"7.D. In the event that during the Term, (i) Lessee has provided a total of not less than one hundred (100) loads to be shipped beyond the Eligible Lines ("Outbound Loads") in the Additional Cars and not less than two hundred (200) Outbound Loads in the Cars bearing the reporting marks AN 2202-2240 and AN 5815-5875, and (ii) more than three hundred (300) boxcars bearing AN reporting marks which are leased to Lessee by Lessor, including the Additional Cars, are on the Eligible Lines at one time and (iii) Lessee shall have furnished Lessor with the reporting marks and numbers of all such Cars that are on the Eligible Lines, then Lessor shall move up to three hundred fifty (350) such boxcars in excess of three hundred (300) boxcars ('Excess Boxcars') off the Eligible Lines at Lessor's expense. Within twenty-four (24) hours of receiving such

notification from Lessee (and only in the event that such notification is received on a weekday other than Friday or the day before an observed holiday), Lessor shall provide Lessee with the disposition desired for up to one hundred fifty (150) Excess Boxcars."

12. In the event that, during the Term, (i) Lessee has provided a total of not less than one hundred (100) Outbound Loads in the Additional Cars but has not provided a total of not less than two hundred (200) Outbound Loads in the Cars bearing the reporting marks AN 2202-2240 and AN 5815-5875, and (ii) more than three hundred (300) boxcars bearing AN reporting marks which are leased to Lessee by Lessor, including the Cars, are on the Eligible Lines at one time, then Subsection 7.D. as amended by Section 11 hereinabove shall be further amended by replacing the words "three hundred fifty (350) such boxcars" with the words "two hundred fifty (250) such boxcars" and the words "one hundred fifty (150) Excess Boxcars" with the words "fifty (50) Excess Boxcars, respectively."
13. Subsection 7.E. is deleted and replaced by the following:
  - "7.E. (i) In the event that Lessor shall receive or earn for the use of any Cars, revenues calculated at hourly or mileage car hire rates that are lower in amount than those specified for excluded boxcars as provided in Subsection 7.A (ii), as a result of any action or inaction by Lessee, Lessee shall pay to Lessor, within ten (10) days of Lessor's request, an amount equal to the difference between the Revenues such Cars would have earned at the Revenue Rates and the amount of revenues actually received or earned for such Cars.
  - (ii) Upon any abatement, reduction or offset as described in Subsection 7.A. (iii), Lessee shall, within twenty (20) days of Lessor's request, reimburse Lessor for such amounts.
  - (iii) If, at any time during the Agreement, Lessee operates lines other than the Eligible Lines, Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Lessee."
14. The words "... entered into by Lessor in connection with the acquisition of the Cars ..." in the second sentence of Subsection 8.A. of the Agreement are replaced by the words "... pursuant to which Lessor's obligations thereunder are or become secured by the Cars...."
15. Except as expressly modified by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.

16. This Amendment may be executed by the parties hereto in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

APALACHICOLA NORTHERN  
RAILROAD COMPANY

By: *D. H. Hayes*

By: *J. E. Johnston, Jr.*

Title: *President*

Title: *Vice President*

Date: *April 3, 1987*

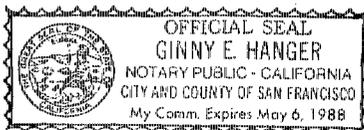
Date: *March 31, 1987*

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

On this 3rd day of April, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing ~~Equipment Schedule No. 3~~ 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.

*Amendment No. 4*

*Ginny E. Hanger*  
Notary Public



STATE OF Florida )  
 ) ss:  
COUNTY OF Gulf )

On this 31st day of March, 1987, before me personally appeared T. E. Johnston, Jr., to me personally known, who being by me duly sworn says that such person is Vice President of Apalachicola Northern Railroad Company, that the foregoing Equipment Schedule No. 3 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.

*Alynn K. Stitt*  
Notary Public

NOTARY PUBLIC STATE OF FLORIDA  
MY COMMISSION EXP. FEB 18, 1991  
BONDED THRU GENERAL INS. UND.

EQUIPMENT SCHEDULE NO. 3

Itel Rail Corporation hereby leases the following Cars to Apalachicola Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of October 15, 1984, as amended.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	50' General Purpose Boxcar, Plate C, end of car cushioning, nailable steel floor	AN 5815-5875	50'6"	9'6"	11'1"	10' Sliding	61
XM	50' General Purpose Boxcar, Plate B, end of car cushioning, nailable steel floor	AN 2202-2240	50'6"	9'6"	10'8"	10' Sliding	39

ITEL RAIL CORPORATION

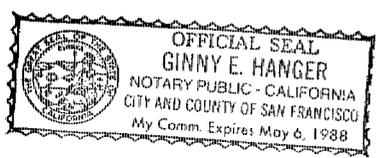
APALACHICOLA NORTHERN RAILROAD COMPANY

By: *J. H. Hayes*  
Title: *President*  
Date: *April 3, 1987*

By: *J. E. Johnston Jr.*  
Title: *Vice President*  
Date: *March 31, 1987*

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

On this 3rd day of April, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Equipment Schedule No. 3 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.



Ginny E. Hanger  
Notary Public

STATE OF Florida )  
 ) ss:  
COUNTY OF Gulf )

On this 31st day of March, 1987, before me personally appeared T. E. Johnston, Jr., to me personally known, who being by me duly sworn says that such person is Vice President of Apalachicola Northern Railroad Company, that the foregoing Equipment Schedule No. 3 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.

Alanna S. Stutz  
Notary Public

NOTARY PUBLIC STATE OF FLORIDA  
MY COMMISSION EXP. FEB 18, 1991  
BONDED THRU GENERAL INS. UND.

