

# ITEL

May 12, 1987

**Itel Rail Corporation**  
55 Francisco Street  
San Francisco, California 94133  
(415) 984-4000

RECORDATION NO. 14774 Filed & Recorded

**MAY 18 1987 10-15 PM**

**INTERSTATE COMMERCE COMMISSION**

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

**Re: Amendment No. 3 dated March 27, 1987, to the Lease Agreement dated September 24, 1984, between Itel Rail Corporation and North Louisiana and Gulf Railroad Company**

Dear Ms. McGee:

On behalf of Itel 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 Agreement under the Lease Agreement dated September 24, 1984, between Itel Rail Corporation and North Louisiana and Gulf Railroad Company, which was filed with the ICC on August 19, 1985, and given Recordation No. 14774. *H*

The parties to the aforementioned Amendment are listed below:

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

North Louisiana and Gulf Railroad Company (Lessee)  
P.O. Drawer 550  
Highway 167  
Hodge, Louisiana 71247

This Amendment adds to the Lease Agreement one hundred (100) 50'6", Plate C, XM boxcars bearing reporting marks NLG 5901-6000.

Once filed, please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

*Patricia Schumacker*

Patricia Schumacker  
Legal Department

:ps  
Enclosure

RECORDATION NO. 14774-15 Filed & Recorded

MAY 18 1987 10-1 5 AM

INTERSTATE COMMERCE COMMISSION

03/09/87

AMENDMENT NO. 3

THIS AMENDMENT NO. 3 (the "Amendment") to that certain Lease Agreement dated as of September 24, 1984, as amended, (the "Agreement") between ITEL RAIL CORPORATION ("Lessor") and NORTH LOUISIANA AND GULF RAILROAD COMPANY ("Lessee"), is made as of this 27th day of March, 1987, between Lessor and Lessee.

RECITALS:

- A. Lessor and Lessee are parties to the Agreement pursuant to which one hundred seventy-two (172) boxcars bearing the reporting marks NLG 5801-5900, NLG 7100-7122 and NLG 7180-7229 (together with the boxcars listed on the Equipment Schedules attached hereto, the "Cars") have been leased and delivered by Lessor to Lessee.
- B. Lessor and Lessee desire to amend certain provisions of the Agreement.
- C. Lessor and Lessee desire to add to the Agreement one hundred (100) boxcars bearing the reporting marks NLG 5901-6000.

NOW, THEREFORE, the parties hereto agree to amend the Agreement as follows:

- 1. All terms defined in the Agreement shall have their defined meanings when used in this Amendment.
- 2. This Amendment shall be effective upon its full execution by the parties.
- 3. Equipment Schedules No. 4 and No. 5 attached hereto are added to and made part of the Agreement.
- 4. With respect to the Cars listed on Equipment Schedules No. 4 and No. 5 only, the words "five (5) years" in Subsection 2.A. of the Agreement are replaced by the words "ten (10) years".
- 5. With respect to the Cars listed on Equipment Schedules No. 4 and No. 5 only, Subsection 2.B. of the Agreement is replaced by the following:

"B. If this Agreement has not been terminated early and no unremedied default has occurred pursuant to Section 9, the Agreement shall automatically be extended for not more than five (5) consecutive periods of twelve (12) months each (the 'Extended Term(s)') with respect to all of the Cars described on Equipment Schedules No. 4 and No. 5, provided, however, that Lessor or Lessee may terminate

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

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.

this Agreement at the end of the Initial Term or any Extended Term as to all, but not fewer than all, of the Cars on such Schedules by written notice delivered to the other not less than twelve (12) months prior to the end of the Initial Term or any Extended Term."

6. The words "With respect to the Cars on Equipment Schedule No. 2 only" in Section 4 of Amendment No. 1 dated October 18, 1985 to the Agreement are replaced by the words "With respect to the Cars listed on Equipment Schedules No. 2, No. 3, No. 4 and No. 5".
7. With respect to the Cars bearing reporting marks from within the series NLG 5801-6000, NLG 7120-7122 and NLG 7180-7229 only, the sentence:

"All insurance shall be taken out in the name of Lessee and shall name Lessor and any assignee of Lessor as additional named insureds and shall also list Lessor and any assignee of Lessor as loss-payees on the insurance policies."

is replaced by the sentence:

"All insurance shall be taken out in the name of Lessee and shall name Lessor, Heller Financial, Inc., and any assignee of Lessor as additional named insureds and shall also list Lessor, Heller Financial, Inc., and any assignee of Lessor as loss-payees on the insurance policies."

8. The words "earned and due from other railroad companies for the use or handling of the Cars" in Subsections 7.A.(i) and 7.A.(ii) of the Agreement are replaced by the words "earned and due with respect to the use or handling of the Cars while such Cars are on railroad lines other than the lines <sup>owned</sup>, as of February 1, 1987, by Lessee or Central Louisiana & Gulf Railroad Company" each time such words appear. CA  
DPA
9. The following changes shall be made to Section 7 of the Agreement:

- a. The last sentence of Subsection 7.A.(i) is replaced by the following:

"The rental rate in determining Per Diem Revenues shall be the hourly car hire rate 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."

- b. The last sentence of Subsection 7.A.(ii) is replaced by the following:

"The rental rate in determining Mileage Revenues shall be the mileage car hire rate 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."

1 actually owned or operated

c. A new Subsection 7.C.(v) is added as follows:

"In the event that Lessor shall receive rentals for the use of such Cars during the term of this Agreement that are lower in amount than those specified for excluded boxcars as provided in Subsection 7.A.(i) or Subsection 7.A.(ii), as a result of any action or inaction by Lessee, Lessee shall ensure that Lessor receives the amount of revenues such Cars would have earned under the rates for excluded boxcars as provided in such Subsection."

10. With respect to the Cars listed on Equipment Schedules No. 4 and No. 5 only, Subsections 7.C.(i)-(iv) are replaced by the following:

C.(i) Lessor shall receive an amount equal to of the Per Diem Revenues and the Mileage Revenues earned and due with respect to the Cars.

(ii) Lessor shall pay to <sup>2</sup>Lessee a monthly amount equal to (the "Monthly Payment"), subject to the following:

(a) For each available load, Lessee shall use its best efforts to load boxcars bearing reporting marks from within the series NLG 5001-5665, NLG 5701-5900, NLG 7100-7122 and NLG 7150-7229 prior to loading Cars from within the series NLG 5901-6000.

(b) If the Utilization Rate of the Cars bearing the reporting marks NLG 5901-6000, in the aggregate, is less than ~~sixty~~ <sup>Stone</sup> percent (60%) for any calendar month, Lessee shall not be entitled to any Monthly Payment for such calendar month.

~~(c) In the event that the ownership of Lessee's railroad lines changes at any time, then, effective as of the date of such sale or assignment, Lessor shall not be required to pay any Monthly Payments with respect to this Agreement.~~

(d) Within one hundred twenty (120) days after the close of each calendar month, Lessor shall indicate to ~~Lessee~~ <sup>Stone</sup> in writing whether a Monthly Payment is due to ~~Lessee~~ <sup>Stone</sup> for such calendar month, the total of such Monthly Payment and if due, shall pay such Monthly Payment to ~~Lessee~~ <sup>Stone</sup>. At the time of the Final Calculations, the Monthly Payments for the preceding calendar year will be recalculated by Lessor, and any amount unpaid or paid in excess of the amounts required shall be refunded to the appropriate party."

2 Stone Container Corporation ("Stone"), at 150 North Michigan, Chicago, Illinois 60601 or at any other address specified in writing by Stone,

11. The words "entered into by Lessor in connection with the acquisition of the Cars" in 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".
12. Except as expressly modified by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.
13. 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

By:           D. Hayes            
Title:           President            
Date:           3/27/87          

NORTH LOUISIANA AND GULF  
RAILROAD COMPANY

By:           Alan Horn            
Title:           President            
Date:           3/12/87

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

On this 27th <sup>(SENT)</sup> day of March <sup>(SENT)</sup>, 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 Iteel Rail Corporation, that the foregoing Amendment 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  
Evelyn C. Tiberti <sup>(SENT)</sup>  
Notary Public 6/14/90

STATE OF Illinois )  
 ) SS:  
COUNTY OF Cook )

On this 12th day of March, 1987, before me personally appeared Alan Stone to me personally known, who being by me duly sworn says that such person is President of North Louisiana and Gulf Railroad Company, that the foregoing Amendment 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.

Evelyn C. Tiberti  
Notary Public 6/14/90

EQUIPMENT SCHEDULE NO. 4

Itel Rail Corporation hereby leases the following Cars to North Louisiana and Gulf Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of September 24, 1984.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	50', 70 ton, Plate B Boxcar, 10" End-of-Car Cushioning	NLG 5901- 5950	50'6"	9'6"	10'8"	10' Sliding	50

ITEL RAIL CORPORATION

By: DP Hayes

Title: President

Date: 3/27/87

NORTH LOUISIANA AND GULF RAILROAD COMPANY

By: Alan Stone

Title: President

Date: 3/12/87

EQUIPMENT SCHEDULE NO. 5

Itel Rail Corporation hereby leases the following Cars to North Louisiana and Gulf Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of September 24, 1984.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	50'6", 70-ton, Plate C Boxcar, 10" End-of-Car Cushioning	NLG 5951- 6000	50'6"	9'6"	11'1"	10' Sliding	50

ITEL RAIL CORPORATION

By: *[Signature]*  
Title: President  
Date: 3/27/87

NORTH LOUISIANA AND GULF RAILROAD COMPANY

By: *[Signature]*  
Title: President  
Date: 3/12/87

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

On this 27th day of March, 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 Schedules No. 4 and No. 5 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free act and deed of said corporation.



Ginny E. Hanger  
Notary Public

STATE OF Illinois )  
 ) ss:  
COUNTY OF Cook )

On this 12th day of March, 1987, before me personally appeared Alan Stone, to me personally known, who being by me duly sworn says that such person is President of North Louisiana and Gulf Railroad Company, that the foregoing Equipment Schedules No. 4 and No. 5 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free act and deed of said corporation.

Joseph C. Jidori  
Notary Public 6/14/90