

ITEL

REGISTRATION NO. 14810-5 Filed 1426

JAN 22 1988 - 3 10 PM

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Istel Rail Corporation
INTERSTATE COMMERCE COMMISSION

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

REGISTRATION NO. 14165-LLH Filed 1426

JAN 22 1988 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

January 7, 1988

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

Re: Amendment No. 2 dated January 6, 1988, to the Lease Agreement dated October 1, 1985, as amended, between Istel Rail Corporation and Canadian Pacific Limited

Dear Ms. McGee:

On behalf of Istel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$20 recordation fee.

Please record this Amendment under the Lease Agreement dated October 1, 1985, as amended, between Istel Rail Corporation and Canadian Pacific Limited which was filed with the ICC on October 15, 1985, under Recordation No. 14810. Please cross-index this Amendment to the Equipment Trust Agreement dated January 1, 1982, between Istel Rail Corporation and First Security Bank of Utah, N.A., which was filed with the ICC on September 20, 1983, under Recordation No. 14165.

The parties to the aforementioned instrument are listed below:

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

Canadian Pacific Limited (Lessee)
P.O. Box 5042, Windsor Station
Montreal, Quebec H3C 3E4
Canada

100 OFFICE OF THE SECRETARY
JAN 22 3 43 AM '88
MONITOR OPERATING UNIT

This Amendment covers three hundred fifty (350) 50'6", 70-ton, XM boxcars bearing reporting marks QC 76000-76349.

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/ke
Enclosures

2 Check 10.00

REGISTRATION NO. 14810-D
FORM 142B

JAN 28 1988 - 8 10 PM

INTERSTATE COMMERCE COMMISSION

11/03/87

REGISTRATION NO. 14169-LLL
FORM 142B

JAN 22 1988 - 8 10 PM

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 2

THIS AMENDMENT NO. 2 (the "Amendment") to that certain Lease Agreement (the "Agreement") made as of October 1, 1985, as amended, between ITEL RAIL CORPORATION ("Lessor") and CANADIAN PACIFIC LIMITED ("Lessee") is made as of this 6th day of January, 1988 between Lessor and Lessee.

RECITALS:

- A. Lessor and Lessee are parties to the Agreement pursuant to which three hundred fifty (350) boxcars bearing the reporting marks QC 76000-76349 (together with the boxcars listed on the Schedules attached hereto, the "Cars") have been leased to Lessee by Lessor.
- B. The Cars bearing the reporting marks QC 76047, QC 76102, QC 76115 and QC 76313 were destroyed on or about August 18, 1986; August 18, 1986; May 26, 1986; and July 28, 1986, respectively.
- C. As provided by Section 7 of the Agreement, Lessor notified Lessee by letter dated October 30, 1987, that the destroyed Car QC 76313 would be replaced by the Car bearing the reporting marks QC 76350.
- D. Lessee desires Lessor to remove nonskid material from the floor of each Car.
- E. Lessor and Lessee desire to amend the rental provisions of the Agreement.

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto 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 on November 1, 1987.
- 3. Equipment Schedules No. 1.A. and No. 2 attached to the Agreement shall be deleted and replaced by Equipment Schedules No. 1.B. and No. 2.A. attached hereto.
- 4. Subsection 5.A. of the Agreement shall become Subsection 5.A.(i) and the following sentence shall be added to such Subsection 5.A.(1):

"Should the AAR Mechanical Inspection Department inspect and/or investigate Lessee's facilities and determine that restitution is due to owners of rail cars repaired at such facilities, then Lessor shall be entitled to and receive restitution as provided for by AAR Rule 120 for each rail car owned or managed by Lessor that was repaired at such facilities, including the Cars."

FB

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.

5. New Subsections 5.A.(ii) and 5.A.(iii) shall be added to the Agreement as follows:

"5.A.(ii) Lessor shall pay for the one-time sanding of nonskid paint from the floor of each Car bearing reporting marks from within the series QC 76000-76074, QC 76157-76173, and QC 76175-76305.

(iii) Lessor agrees to pay for such one-time sanding of nonskid paint from the floor of three (3) Cars ('Sample Cars') bearing reporting marks from within the series QC 76075-76156, QC 76174 and QC 76306-76349 (the 'Pullman Cars'). Only in the event that (a) such sanding leaves each Sample Car in a condition that is acceptable to Lessee's shipper, and (b) Lessor determines the cost of such sanding to be economically feasible, then Lessor shall pay for such one-time sanding of nonskid paint from the floor of each Pullman Car."

6. With respect to the Cars bearing the reporting marks QC 76000-76156, QC 76174, and QC 76257-76349 only, the words "Lessor and any assignee of Lessor" in Subsection 5.C. shall be deleted and replaced each time they appear by the words "Lessor, Heller Financial, Inc., and any assignee of Lessor and of Heller Financial, Inc."

7. Section 7 of the Agreement shall be deleted in its entirety and replaced by:

"7. Rent

A. The fixed rent ('Fixed Rent') shall be _____ United States dollars (US \$ _____) per Car per month for each full calendar month during the Initial Term or any Extended Term ('Month'). The Fixed Rent for any Car which is not subject to the Agreement for an entire Month shall be prorated at US _____ per day for such Car during such Month.

B.(i) For the Months commencing January 1, 1987, through and including October 31, 1987, only, Lessee shall pay Lessor, within thirty (30) days of receiving an invoice from Lessor, the difference between (a) the Fixed Rent due for each Car for each such Month, and (b) the total amount of per diem revenues and mileage revenues received by Lessor for such Car for each such Month.

(ii) Beginning November 1, 1987, within ninety (90) days after the end of each Month, Lessee shall pay Lessor the Fixed Rent for each Car for such Month.

RB

(iii) Any Car being sanded pursuant to Subsections 5.A.(ii) and 5.A.(iii) hereinabove shall be removed from the rental calculations of this Agreement for the lesser of the actual number of days such Car was in shop for such sanding or seven (7) days, subject to verification by Lessor, provided, however, that Lessee provides Lessor in writing the reporting marks of such Car within ten (10) days of such Car entering such facility and being released from such facility.

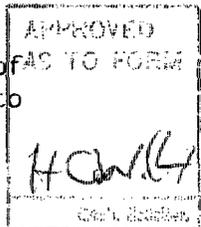
C. In the event destruction or damage beyond repair of a Car has been reported in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Car Hire Rules 7 and 8 of the AAR Code of Car Hire Rules and Interpretations-Freight, said destroyed Car will be removed from the rental calculations of this Agreement on the date car hire for such Car ceased as set forth in the aforementioned Rules 7 and 8. Lessor may, at its expense, replace any destroyed Car with similar equipment upon prior written notice from Lessor to Lessee.

D. If any Car, while in the possession of Lessee, is damaged to the extent that such damage exceeds the AAR Depreciated Value ('DV') for such Car, Lessee shall notify Lessor within sixty (60) days following the date of the occurrence of such damage ('Damage Date'). If Lessee fails to so notify Lessor within sixty (60) days of the Damage Date, Lessor has the right to engage an independent appraiser at Lessee's cost to inspect such Car to determine the extent of such damage. Regardless of whether or not Lessee has notified Lessor of the damage pursuant to this Subsection, Lessee shall remit to Lessor an amount equal to the DV of such Car within thirty (30) days of receipt of an invoice from Lessor.

E. Lessor and Lessee agree to cooperate with and to assist each other in any reasonable manner requested to establish and pursue proper claims against parties responsible for loss or destruction of, or damage to, the Cars, provided, however, that this shall not affect their respective obligations under this Section 7."

8. Except as expressly modified by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect.

9. 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

CANADIAN PACIFIC LIMITED

By: *D.A. Hayes*
Title: *President*
Date: *January 6, 1988*

Handwritten signature and stamp

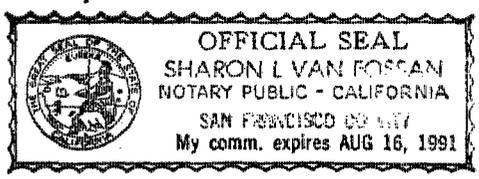
By: *J.H. Hall*
Title: *Vice-President*
Date: *DEC 15 1987*

Handwritten signature and initials
ASSISTANT SECRETARY

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

On this 6th day of January, 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 Amendment No. 2 was signed today on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Foscan
Notary Public



CANADA

PROVINCE OF Quebec)
) ss:
COUNTY OF Hochelaga)

On this 15th day of December, 1987, before me personally appeared J. P. Kelsall, to me personally known, who being by me duly sworn says that such person is a Vice-President of Canadian Pacific Limited, that the foregoing Amendment No. 2 was signed today on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.

Judith H. Kelsall
Notary Public
My Commission is for Life

EQUIPMENT SCHEDULE NO. 1.B.

Itel Rail Corporation hereby leases the following Cars to Canadian Pacific Limited subject to the terms and conditions of that certain Lease Agreement dated as of October 1, 1985, as amended.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	50', 70-ton, Cushioned Under-frame, Plate C	QC 76000-76046, 76048-76074	50'7"	9'6"	11'0"	10' Sliding	74
XM	50', 70-ton, Cushioned Under-frame, Plate C	QC 76075-76101, 76103-76114, 76116-76156	50'6"	9'6"	11'1"	10' Sliding	80
XM	50', 70-ton, Cushioned Under-frame, Plate B	QC 76157-76299	50'6"	9'6"	10'7"	10' Sliding	143

This Equipment Schedule replaces Equipment Schedule No. 1.A. which was fully executed on December 10, 1985.

ITEL RAIL CORPORATION

By: *J. D. Hayes*

Title: *President*

Date: *January 6, 1988*

CANADIAN PACIFIC LIMITED

By: *J. J. Hill*

Title: *Vice-President*

Date: *DEC 15 1987*

APPROVED
AS TO FORM
HCW/CA
Gen'l. Sec'y

P. Bernard
ASSISTANT SECRETARY

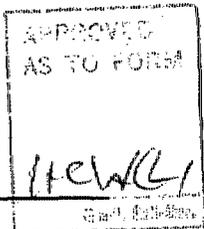
EQUIPMENT SCHEDULE NO. 2.A.

Itel Rail Corporation hereby leases the following Cars to Canadian Pacific Limited subject to the terms and conditions of that certain Lease Agreement dated as of October 1, 1985, as amended.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions			Doors Width	No. of Cars
				Inside Width	Height			
XM	50', 70-ton, Cushioned Under- frame, Plate B	QC 76300-76312 76314-76350*	50'6"	9'6"	10'7"	10' Sliding	50	

This Equipment Schedule replaces Equipment Schedule No. 2 which was fully executed on December 10, 1985.

* QC 76350 replaces QC 76313.



ITEL RAIL CORPORATION

CANADIAN PACIFIC LIMITED

By: *D. Mayes*
 Title: *President*
 Date: *January 6, 1988*

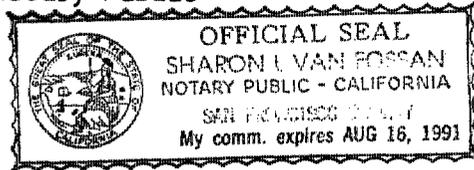
By: *J. H. Kilsall*
 Title: *Vice-President*
 Date: *DEC 15 1987*

P. Bernadette
 ASSISTANT SECRETARY

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

On this 6th day of January, 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. 1.B. and 2.A. were signed today on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



CANADA

PROVINCE OF Quebec)
) ss:
COUNTY OF Hochelaga)

On this 15th day of December, 1987, before me personally appeared J. P. Ketsall, to me personally known, who being by me duly sworn says that such person is a Vice-President of Canadian Pacific Limited, that the foregoing Equipment Schedules No. 1.B. and 2.A. were signed today on behalf of said corporation by authority of its board of directors, and such person acknowledged today that the execution of the foregoing instrument was the free act and deed of said corporation.

Pauline Hubert
Notary Public
My Commission is for Life