

ITEL

Itel Rail Corporation

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

May 9, 1988

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

RECORDATION NO. 14986-C
MAY 13 1988-11 15 AM
INTERSTATE COMMERCE COMMISSION

Re: Amendment No. 1 dated April 28, 1988, to the Lease Agreement dated as of June 18, 1986, between Itel Rail Corporation and Bangor and Aroostook 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 49 U.S.C. Section 11303(a), along with the \$26 recordation fee.

Please record this Amendment under the Lease Agreement dated as of June 18, 1986, between Itel Rail Corporation and Bangor and Aroostook Railroad Company, which was filed with the ICC on June 23, 1986, under Recordation No. 14986. Please cross-index this Amendment to the Equipment Trust Agreement, dated January 1, 1982, as amended, between Itel Rail Corporation and First Security Bank of Utah, which was filed with the ICC on September 20, 1983, under Recordation No. 14165.

The parties to the aforementioned instrument are listed below:

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

Bangor and Aroostook Railroad Company (Lessee)
Northern Main Junction Park
RR 2
Bangor, Maine 04401

Hon. Noreta R. McGee
May 9, 1988
Page Two

This Amendment covers one hundred eighty-five (185) fifty-foot, seventy-ton, XM boxcars bearing reporting marks BAR 9700-9888 (n.s.).

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
Legal Department

PS:
Enclosures

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

AMENDMENT NO. 1

RECORDATION NO. 14986-C
FUND TUES

MAY 13 1988-11 15 AM

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT NO. 1 ("Amendment") to that certain Lease Agreement dated as of June 18, 1986 ("Agreement") between TTEL RAIL CORPORATION ("Lessor") and BANGOR AND ARCOSTOOK RAILROAD COMPANY ("Lessee") is made as of this 28th day of April, 1988, by and between Lessor and Lessee.

R E C I T A L S:

- A. Lessor and Lessee are parties to the Agreement pursuant to which one hundred eighty-nine (189) boxcars bearing reporting marks from within the series BAR 9700-9888 (the "Cars") have been leased to Lessee.
- B. The four (4) Cars which were to be remarked to BAR 9746, 9756, 9813 and 9885 will not be delivered.
- C. The parties desire to amend the Agreement as set forth herein.

NOW, THEREFORE, 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 will become effective upon its full execution.
3. Equipment Schedule No. 1, attached to and incorporated into the Agreement, is hereby deleted in its entirety and replaced by Equipment Schedule No. 1.A. attached hereto.
4. Subsections 2.A. and 2.B. of the Agreement are hereby deleted in their entirety and replaced by the following:

"2. Term

- A. This Agreement shall remain in full force until it is terminated as to all of the Cars as provided herein. The term of the Agreement with respect to each Car described on each Schedule 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. 1.A. on September 30, 1992 (the 'Initial Term').
 - B. If this Agreement has not been terminated and no unremedied default has occurred pursuant to Section 9., the Agreement shall be automatically extended for five (5) consecutive years (the 'Extended Term') with respect to all of the Cars described on Equipment Schedule No. 1.A."
5. The following sentence is hereby added to Subsection 5.B. after the fourth sentence thereof:

"Should the AAR Mechanical Department inspect or investigate Lessee's facilities and determine that restitution is due owners of railcars repaired at Lessee's facilities, then Lessor shall be entitled to such restitution pursuant to AAR Rule 120 for all railcars owned or managed by Lessor, including the Cars, that were repaired at Lessee's facilities."

6. Effective as of October 1, 1992, Subsections 7.A., 7.B., 7.C., 7.D. and 7.E. are hereby replaced by the following:

"7. Rent

- A. The fixed rent ('Fixed Rent') shall be _____ per Car per quarter for each calendar quarter ('Quarter') during the Extended Term. The Fixed Rent for any Car which is not subject to the Agreement for an entire month during any Quarter shall be prorated at _____ per day per Car during such month.
- B. Lessee shall pay to Lessor within sixty (60) days after the end of each month _____ per Car per month."

7. The words "in interchange condition as specified in the AAR Interchange Rules" are hereby added to each first paragraph of Subsections 10.A. and 10.B. after the words "return such Car."
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 said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

BANGOR AND AROOSTOOK RAILROAD COMPANY

By: JD Hayes
Title: President
Date: April 28, 1988

By: Okun
Title: President
Date: 4/19/88

10. The Lease Agreement and any amendments thereto shall be assignable to an acquirer of all or substantially all of BAR's assets so long as that acquirer or any of its affiliates or subsidiaries is not a direct competitor of Itel Rail Corporation or any of its affiliates or subsidiaries.

OR 4/19
DWA 4/28

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

On this 28th day of April, 1988, 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. 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.

Sharon L. Van Fossan
Notary Public



STATE OF MAINE)
) ss:
COUNTY OF PENOBSCOT)

On this 19th day of April, 1988, before me personally appeared David Hughes, to me personally known, who being by me duly sworn says that such person is President of Bangor and Aroostook Railroad Company, that the foregoing Amendment 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.

Glenna M. Rines
Notary Public
Glenna M. Rines

My commission expires June 22, 1992.

EQUIPMENT SCHEDULE NO. 1.A.

Itel Rail Corporation hereby leases the following Cars to Bangor and Aroostook Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of June 18, 1986.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions			Doors Width	No. of Cars
			Length	Inside Width	Height		
XM	70 ton, Plate C, end-of car cushioning, nailable steel floor	BAR 9700-9745 9747-9755 9757-9812 9814-9884 9886-9888	50'7"	9'6"	11'0"	2-8' sliding	185

This Equipment Schedule No. 1.A. replaces Equipment Schedule No. 1 which was fully executed on June 18, 1986.

ITEL RAIL CORPORATION	BANGOR AND AROOSTOOK RAILROAD COMPANY
By: <u><i>DD Hayes</i></u>	By: <u><i>D. Hughes</i></u>
Title: <u><i>President</i></u>	Title: <u><i>President</i></u>
Date: <u><i>April 28, 1988</i></u>	Date: <u><i>4/19/88</i></u>

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

On this 28th day of April, 1988, 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. 1.A. 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.

Sharon L. Van Fossan

Notary Public



STATE OF MAINE)
) ss:
COUNTY OF PENOBSCOT)

On this 19th day of April, 1988, before me personally appeared David Hughes, to me personally known, who being by me duly sworn says that such person is President of Bangor and Aroostook Railroad Company, that the foregoing Equipment Schedule No. 1.A. 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.

Glenna M. Rines

Notary Public
Glenna M. Rines

My commission expires June 22, 1992.