

2-062A037

13579  
REG. DIV. NO. .... FILE 1475

No. MAR 3 1982  
Date.....  
Fee \$ 50.00

**ITEL**

MAR 3 1982-2 30 PM  
INTERSTATE COMMERCE COMMISSION

**Rail Division**

March 1, 1982

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

ICC Washington, D. C.

Ms. Agatha Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

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, Rail Division ("Itel"), for filing and recordation four counterparts of the following document:

Lease Agreement dated as of December 16, 1981  
between Itel and Green Bay and Western Railroad  
Company (the "Lease")

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

1. Itel Corporation, Rail Division  
Two Embarcadero Center  
San Francisco, California 94111
2. Green Bay and Western Railroad Company  
P.O. Box 2507  
Green Bay, Wisconsin 54306

The equipment covered by the Lease is one hundred (100) 70-Ton boxcars (A.A.R. mechanical designation XM, 50'6" in length), bearing the reporting marks GBW 8200-8299.

Also enclosed is a check for \$50.00 for the required recordation fee.

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 three (3) counterparts be mailed via certified mail to Itel Corporation, Two Embarcadero Center, 24th Floor, San Francisco, California 94111, Attention: Patricia Salas Pineda, Esq.

Sincerely,

  
Patricia Salas Pineda  
Counsel

PSP:sc  
Enclosures

cc: Doug Drummond  
Itel Corporation  
  
Linda Lawrence  
Itel Corporation

U.S. Railway Leasing Company  
2200 East Devon Avenue  
Des Plaines, Illinois 60018

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

3/3/82

OFFICE OF THE SECRETARY

**Patricia Salas Pineda**  
**Itel Rail Division**  
**Two Embarcadero Center**  
**San Francisco, California 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 **3/3/82** at **2:30pm**, and assigned re-  
recording number (s). **13579**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure (s)

L-0256

**ITEL**

13579

RECORDATION NO. .... Filed 1425

**Rail Division**

MAR 3 1982 -2 30 PM

Two Embarcadero INTERSTATE COMMERCE COMMISSION  
San Francisco, California 94111  
(415) 955-9090  
Telex 34234

**Edward M. O'Dea**  
President

December 16, 1981

Mr. Curtis J. Hockaday  
President  
Green Bay and Western Railroad Company  
2155 Hutson Road  
Green Bay, Wisconsin 54306

Dear Mr. Hockaday:

Please accept this letter as the lease agreement ("Agreement") between **Itel Corporation, Rail Division ("Itel")** and **Green Bay and Western Railroad Company ("GBW")** for the lease by Itel to GBW of one hundred (100) fifty-foot (50') boxcars (the "Boxcars") bearing the reporting marks GBW 8200-8299.

Said Boxcars have been delivered to GBW's railroad lines and shall be subject to the terms and provisions of this Agreement for three months commencing as of December 20, 1981 ("Initial Term"). Upon expiration of the Initial Term, this Agreement shall be automatically extended on a month-to-month basis ("Extended Terms"), provided, however, that either party may terminate this Agreement upon written notice delivered to the other party not less than thirty (30) days prior to the end of the Initial Term or any Extended Terms. Upon expiration of the Initial Term or any Extended Terms, GBW shall at Itel's option: (i) deliver the Boxcars at no expense to Itel to any point on GBW's railroad lines as shall be designated by Itel, or (ii) provide final outbound loads for each of the Boxcars after such Boxcars have been remarked.

Upon the commencement of the Initial Term, GBW shall, at Itel's expense, be responsible for marking the Boxcars in compliance with all applicable regulations with the railroad markings of GBW. GBW shall, at Itel's request and expense, remark the Boxcars with the railroad markings of a subsequent lessee at the expiration of the Initial Term or any Extended Terms.

Definitions which apply to the rental payments from GBW to Itel are as follows:

- A. "Revenues" shall be the total revenues earned and due from other railroad companies for the use or handling of the Boxcars, whether or not collected and received by GBW and without regard to any claimed abatement, reduction or offset, provided, however, that upon the occurrence of any such abatement, reduction or offset, GBW shall, within ten (10) days of Itel's request, reimburse Itel for any such amounts.
- B. The "Base Rental" shall be defined as the sum equal to the Revenues which the Boxcars would have earned in the aggregate at a Utilization Rate (as defined below) of fifty-five (55) percent.

- C. The "Utilization Rate" of the Boxcars shall be determined by a fraction, the numerator of which is the aggregate number of hours in each Service Month, as hereinafter defined, that Revenues were earned on the Boxcars commencing from the Initial Loading, as defined herein, and the denominator of which is the aggregate number of hours in each Service Month that the Boxcars are leased to GBW, commencing from the Initial Loading (hereinafter defined as the first time such Boxcar is loaded with freight and is interchanged from GBW's railroad line to a connecting carrier).

The calendar month during which Revenues are earned is defined as a "Service Month." GBW shall submit with its rental payments to Itel any records required to substantiate such rental calculations. During the Initial Term or any Extended Terms of this Agreement, Itel shall at any time be allowed to audit GBW's car hire records. Final reconciliation of all rent due Itel for a Service Month shall be made within five (5) months after the end of a Service Month. GBW agrees to pay the following rent to Itel for the use of the Boxcars:

- A. In the event that Revenues earned in any Service Month or applicable portion thereof are equal to Base Rental, GBW shall pay to Itel an amount equal to Base Rental.
- B. In the event that Revenues earned in any Service Month or applicable portion thereof are less than Base Rental, GBW shall pay to Itel a sum equal to one hundred percent (100%) of the total Revenues.
- C. In the event that Revenues earned in any Service Month or applicable portion thereof exceed the Base Rental, GBW shall pay to Itel an amount equal to the Base Rental and GBW shall receive one hundred percent (100%) of any Revenues received in excess of the Base Rental.

Itel shall, at its expense, perform or have performed all maintenance and repairs to and inspections and servicing of the Boxcars as shall be necessary to maintain the Boxcars in good operating condition as specified in the Association of American Railroad's ("AAR") Interchange Rules, unless such repair, maintenance or servicing was occasioned by the fault of GBW, or arises in those instances in which the Interchange Rules would assign responsibility to GBW for loss, damage, destruction or liability requiring such repair, maintenance or servicing. Itel shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Boxcars in good operating condition. GBW may make running repairs to facilitate continued immediate use of each Boxcar, but shall not otherwise make any repairs, alterations, improvements, or additions to any Boxcar without Itel's prior written consent. GBW shall be liable to Itel for any Revenues lost due to any unauthorized repair, alterations, improvement or addition. Title to any such alteration, improvement or addition shall be and remain with Itel.

Mr. Curtis Hockaday  
December 16, 1981  
Page Three

Itel agrees to reimburse GBW for all taxes actually paid in cash by GBW resulting from ad valorem and car line tax assessments on the Boxcars which may be levied or assessed during the Term of this Agreement, except taxes on GBW's income or gross receipts. Itel and GBW will comply with all state and local laws, rules or regulations requiring filing of ad valorem tax returns on the Boxcars.

GBW's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Itel in connection with the acquisition of the Boxcars which are the subject of this Agreement. Accordingly, following notice to GBW from any such secured party or owner that an event of default by Itel has occurred at any time (including at a time prior to the effective date of this Agreement), and is continuing under such financing agreement, such secured party or owner may require either or both that all rent shall be made directly to such secured party or owner, and that the Boxcars immediately be returned to such party.

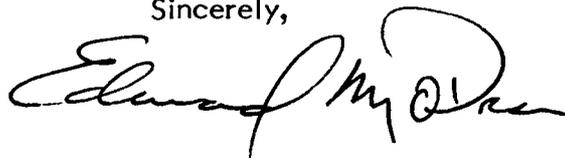
GBW shall at all times while any Boxcar is in GBW's possession or control, be responsible and liable for such Boxcar in the same manner that GBW is responsible under Rule 107 of the AAR Field Manual of the Interchange Rules and Rule 7 of the AAR Code of Car Service Rules and Interpretations-Freight for freight cars not owned by GBW on GBW's tracks.

GBW shall indemnify Itel for any claim or liability arising while any Boxcar is in the GBW's possession or control.

Upon the breach by GBW of any of its obligations hereunder which is not cured within ten (10) days thereafter, Itel may terminate this Agreement (without releasing GBW from any liability occurring prior thereto), and/or may exercise all rights or remedies available under applicable law, and/or by notice in writing terminate GBW's right to possess and use the Boxcars, whereupon all right of GBW in the Boxcars shall terminate, GBW shall return the Boxcars to any point or points on the lines as Itel shall designate, and Itel may enter upon any premises where the Boxcars may be located and take possession of them.

Please signify your acceptance of this Agreement by signing said Agreement in the presence of a notary public and by returning the executed letter to us.

Sincerely,



ACCEPTED AND AGREED TO:

GREEN BAY AND WESTERN  
RAILROAD COMPANY

By: *C. Hockaday*

Title: *President*

Date: *12-31-81*

STATE OF WISCONSIN    ss  
COUNTY OF BROWN

Signed before me this 31st day of December,  
1981.

*Robert L. Goethe*  
Notary Public



Robert L. Goethe  
Notary Public State of Wisconsin  
My Commission Expires Feb. 28, 1982