United States
Rail Services, Inc.

633 Battery Street
San Francisco, California 94111
(415) 445-7690

12388
RECORDATION NO. ..... Filed 1425

NOV 3 1980 -3 40 PM

INTERSTATE COMMERCE COMMISSION

REGISTERED MAIL
RETURN RECEIPT REQUESTED

October 27, 1980

0-308A115

No. 1
NOV 3 1980
Date.....
Fee $. 50.00

ICC Washington, D. C.

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

Dear Ms. Secretary:

On behalf of United States Rail Services, Inc., ("USRS"), I submit for filing and recording under 49 U.S.C. Sec. 111303(a), four copies of an agreement dated July 15, 1980 between USRS and David D. & Lois M. Lithgow Revocable Living Trust, David D. & Lois M. Lithgow, Trustees duly executed and notarized.

The addresses of the parties to this transaction are:

United States Rail Services, Inc., as managing agent
633 Battery Street
San Francisco, CA 94111

David D. & Lois M. Lithgow Revocable Living Trust
David D. & Lois M. Lithgow, Trustees
1200 Manzanita Drive
Millbrae, CA 94030

The agreement covers the following equipment:

One 23,500 gallon Class DOT111A100W1 tank car, RUSX 2502.

Enclosed is a check in the amount of $50.00 in payment of the recording fee.

Once the filing has been made, please return
(a) the original document file stamped;
(b) the file stamped conformed copies not required for filing purposes;
(c) the receipt;
(d) the letter from Interstate Commerce Commission acknowledging the filing and
(e) the extra copy of this letter of transmittal.

Should you have any questions, please call me at 415/445-7824.

Very truly yours,

UNITED STATES RAIL SERVICES, INC.

By Nancy C. L. Chapman

Title Assistant Secretary

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

11/4/80

OFFICE OF THE SECRETARY

Nancy C.I. Chapman
Assistant Secretary
U.S. Rail Services, Inc.
633 Battery Street
San Frannisco, Calif.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 11/3/80 at 3:40pm, and assigned recordation number(s). 12388

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

12388
RECORDATION NO. ..... Filed 1425

NOV 3 1980 -3 40 PM

INTERSTATE COMMERCE COMMISSION

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 27th day of October, 1980, before me personally appeared D. A. Summers (name), Vice President & General Manager (Office) of United States Rail Services, Inc. (formerly called Rail-U. S. Leasing, Incorporated) to me personally known who being by me sworn, says that he has compared the following agreement dated July 15, 1980 between United States Rail Services, Inc. and David D. & Lois M. Lithgow Revocable Living Trust, David D. & Lois M. Lithgow, Trustees with the original and that such copy is true and complete copy of the original document, including date, signature and acknowledgements.

OFFICIAL SEAL
NANCY C. I. CHAPMAN
NOTARY PUBLIC — CALIFORNIA
San Francisco County
My Commission Expires August 15, 1983

Nancy C. I. Chapman
Notary Public

(SEAL)

My commission expires: August 15, 1983

DAVID D. & LOIS M. LITHGOW REVOCABLE LIVING TRUST, DAVID D. & LOIS M. LITHGOW, TRUSTEES ("Owners") and UNITED STATES RAIL SERVICES, INC. ("USRS") acknowledge and agree that:

1. Owners are the owners of railroad tank car RUSX 2502 and are the assigneees of a Railroad Car Management Agreement dated December 22, 1972 by and between USRS (formerly called Rail-U.S. Leasing Incorporated) and J. Stephen Schaub covering the management of such car by USRS for Owners.

2. True and correct copies of such railroad car management agreement are attached hereto as Exhibit A.

3. USRS shall, on behalf of Owners, file this agreement together with Exhibit A with the Interstate Commerce Commission.

IN WITNESS WHEREOF the parties have executed this agreement dated July 15, 1980

David D. Lithgow Trustee

Lois M. Lithgow, Trustee

Owners

UNITED STATES RAIL SERVICES, INC.

BY

TITLE Vice President & General Manager

RAILROAD CAR MANAGEMENT AGREEMENT

THIS AGREEMENT, made this 22nd day of December, 19 72, by and between Rail-U.S. Leasing, Incorporated, a California Corporation (hereinafter called "Company") and J. Stephen Schaub of San Francisco, State of California (hereinafter called "Owner").

WITNESSETH:

WHEREAS, Owner holds title or will hold title to the following railroad car(s): RUSX 2502 (hereinafter called "The Car(s))"; and

WHEREAS, Company is engaged in the business of managing, leasing and subleasing railroad cars; and

WHEREAS, Owner desires Company to manage the operation of The Car(s);

NOW THEREFORE, in consideration of the foregoing and the promises and agreements hereinafter set forth:

1. Owner hereby engages Company to manage the operation of The Car(s) in accordance with the terms and conditions hereinafter set forth and Company agrees to accept such engagement.

2. Company shall as its part of said agreement do the following (which Owner agrees shall be done by Company):

(a) To accept delivery of The Car(s) and to operate and account for them in Pool No. 2, all as hereinafter set forth.

(b) To secure the assignment of Association of

EXHIBIT A

American Railroad's reporting marks for The Car(s), to place such marks upon The Car(s) and to register The Car(s) in such tariffs as required for their operation in railroad service, and to paint The Car(s) any appropriate color and place on The Car(s) such markings or legends as it deems required or appropriate.

(c) To, within its discretion, execute in its name (1) all required Association of American Railroads, Interstate Commerce Commission, local Public Utility Commission and all other governmental or industry agreements it deems necessary, appropriate or required in order to operate The Car(s) in railroad service under this Agreement; and (2) all ad valorem and other tax filings and to pay any such taxes attaching to The Car(s).

(d) To use its best efforts to lease The Car(s) to shippers, railroads or other users of railroad cars on short or long term leases on such terms and conditions as it may deem satisfactory, within its discretion; and

To perform all managerial and administrative functions necessary for the operation and leasing of The Car(s), including (but not limited to) the collection of all Gross Revenue; and

To arrange for the maintaining and repairing of The Car(s) for the pool account;

To keep adequate records of the operation of The Car(s);

To not knowingly discriminate against any of The Car(s) in seeking leases; and

To pay to Owner within 120 days after the end of each Calendar Quarter The Car's(s) Per Rata Net Income, as

calculated under the provisions of Paragraph 4(d) hereof.

3. Owner agrees:

(a) To make the initial delivery of The Car(s) to Company at the point or points designated by Company.

(b) To allow Company to act in its name, for and on behalf of Owner, and to do all things and incur any and all obligations it deems appropriate or necessary, all at the discretion of Company, in order to operate The Car(s) under this Agreement.

(c) To reimburse Company promptly upon demand for: (1) all Pro Rata Operating Loss allocated to The Car(s) of Owner, if in any Calendar Quarter Operating Expenses exceed the Gross Revenues for that quarter; and (2) for the cost of any improvements or modifications to any of The Car(s) required by the Association of American Railroads or other official authority, in excess of a total expenditure of one hundred dollars ($100.00) in any calendar year.

Company may apply any Net Income due Owner in payment, in whole or part, of these charges.

(d) To indemnify and hold Company harmless from and against any and all loss or damage, including but not limited to: (1) any and all loss and damage to The Car(s) subject to this Agreement; and (2) any and all claims, damages, expenses or liabilities (including attorneys' fees) incurred by, or asserted against Company as a result of its (or any other party's) operations, possession, control or use of The Car(s), including, but not limited to, any and all loss or damage to lading, and injury or damage to persons or property.

(e) To provide policies of insurance, including (but not limited to) business interruption, all risks, physical damage and public liability insurance, in kinds and amount required by Company, naming Company as beneficiary and insuring it against business risks and liabilities deemed by Company to be required.

(f) To not sell or dispose of any of The Car(s) subject hereto without first offering Company the right to obtain The Car(s) for the same consideration (computed if necessary in United States dollars) at which The Car(s), are being offered to others, less any brokers' fee or sales commission which would have been incurred in connection with such a sale. Company shall have thirty (30) days after receipt of written notification from Owner of a proposed sale or disposition, within which to exercise this right of first refusal.

4. Owner and Company mutually agree as follows:

(a) The term of this Agreement as to The Car(s) will commence with regard to each of The Car(s), upon the date of delivery pursuant to Paragraph 3(a), and will remain in full force and effect until The Car(s) are released to Owner upon termination in accordance with the provisions hereafter set forth.

(b) The following definitions and interpretations apply to this Agreement:

(1) Pro Rata shall mean an allocation based on the numerical proportion that the service time (expressed in car days) of an individual car or group of cars bears to the total service time of all cars in the same pool during a Calendar Quarter or other accounting period.

(2) Calendar Quarter or Quarterly shall mean the calendar quarter used by Company for accounting to Owner under this Agreement.

(3) Car Day shall mean the service time of one car for one day.

(4) Pool shall mean all cars of the same type, size and classification operated by Company under this form of agreement, the Gross Revenues and Operating Expenses of which are Pooled, as described in this Agreement.

(5) Gross Revenue shall mean all lease rents, railroad mileage allowances received as lease rents and other moneys derived from the use of all cars in the same pool and actually collected by Company. Proceeds received from business interruption insurance claims shall be included as Gross Revenue and funds paid out to adjust lease rents or other revenue moneys shall be deducted from Gross Revenue.

Gross Revenue collected after the close of a Calendar Quarter shall be allocated to the quarter in which earned, but if not collected within nine months after the quarter in which earned shall be included in Gross Revenue for the Calendar Quarter in which collected.

(6) Operating Expenses shall mean all expenses of all cars in the same pool actually paid by Company including but not limited to maintenance and repairs, cleaning, [illegible] of any kind [illegible]

taxes, fees and railroad tariff charges, but excluding sales, general and administrative expenses and charges for improvements or modifications to any car beyond the maximum amount provided for in Paragraph 3(c)(2) hereof.

Proceeds received in settlement from railroads and others or from insurance for damage to any car shall be credited to Operating Expenses, except a settlement received for a car which is totally destroyed and which shall be paid to its Owner.

(7) Operating Profit or Operating Loss shall mean the result of subtracting Operating Expenses from Gross Revenue.

(8) Management Fee shall mean that fee paid by Owner to Company under this Agreement.

(9) Net Income shall mean Operating Profit less the Management Fee.

(10) Lease Term Use Category shall mean one of three groupings of leases as specified in Paragraph 4(d)(1) determined by the term of the lease of a car to a user. The term of the lease shall be the period between the effective date of a lease and its stated termination date. Once assigned to a Lease Term Use Category, a car shall remain in that category until re-leased.

(11) Company shall include all agents and employees, where applicable.

(c) The Gross Revenue and Operating Expenses of The Car(s) will be Pooled in the Pool described in Paragraph 2(a) commencing as to each of The Car(s) with the date it first earns Gross Revenue.

(d) As to each Pool, the Net Income allocable to The Car(s) and payable to Owner shall be calculated by Calendar Quarter by Company, by the following formula.

(1) The Gross Revenue collected for use of all cars shall be calculated separately for each Lease Term Use Category as follows:

Lease Term in Months	Lease Term Use Category
0 to 11 months	I
12 to 35 months	II
36 or more months	III

(2) The Operating Expenses paid for all cars shall be allocated Pro Rata to each Lease Term Use Category and deducted from Gross Revenue for each such category to determine the Operating Profit of each Lease Term Use Category.

(3) Subject to the discount set out immediately hereafter, Company shall deduct and retain as its Management Fee from the Operating Profit of each Lease Term Use Category, the dollar amount calculated by the following schedule:

Lease Term Use Category	Per Car and Per Month Management Fee, as a Percent Of Operating Profit
I	35%
II	25%
III	20%

An Owner of 5 or more of the cars managed under this form of agreement shall receive the following discounts from the Management

Fee:

Number of Railroad Cars Managed	Discount Per Car Per Month
5 to 9 cars	$ 5.00
10 to 14 cars	$ 6.25
15 to 19 cars	$ 7.50
20 to 24 cars	$ 8.75
25 or more cars	$10.00

(4) The resulting Net Income for each Lease Term Use Category shall be added together to determine total Net Income for the quarter. Such total Net Income shall be allocated Pro Rata to each of The Car(s) and paid to Owner as provided in Paragraph 2(d).

(e) The term of this Agreement shall be for a minimum of five (5) years from the date of execution, but shall continue in full force and effect after said minimum term, subject to termination as set forth below. Either Owner or Company, if not in default, may terminate this Agreement at the expiration of the minimum term, and completion of all existing leases affecting The Car(s), upon ninety (90) days' written notice, delivered in the manner hereinafter set forth.

This Agreement shall terminate, within or without the minimum term, as to any of The Car(s), which are totally destroyed, and at the option of Company in the event of a breach of this Agreement, or any condition thereof by Owner.

Written notice of termination shall be deemed delivered if placed in a sealed envelope, properly addressed to the party against whom the right of termination is being asserted, and thereafter deposited with the United States Post Office and sent by Certified Mail, Return Receipt Requested, with all required postage thereon fully prepaid.

Upon termination of this Agreement a complete and final settlement shall be made of all Net Income due Owner from

operation of The Car(s), at the expiration of twelve (12) months from the actual date of termination. In calculating the final settlement, Company shall deduct from Owner's Net Income the following charges which may be estimated: adjustments for refunds, railroad tariff charges, repairs, taxes and all other expenses accruable or chargeable against The Car(s). Each such charge shall be calculated as of the date of the actual release of The Car(s) from this Agreement. Company shall have the option of making estimated quarterly payment of Net Income to Owner prior to said final settlement date. If the calculation results in an Operating Loss, Owner shall pay such Operating Loss to Company upon billing therefor.

Upon termination, Company shall arrange forthe return of The Car(s) to Owner, at Owner's Expense, upon the expiration of all existing leases affecting any of The Car(s). The Car(s) shall be returned in their then existing condition, acceptable in railroad interchange service.

(f) In the event of a breach of this Agreement, the breaching party shall have seven (7) days after written notice thereof to cure said breach. The non-defaulting party shall have all rights afforded by law or equity against the breaching party in the event said breach is not cured within said seven (7) day period.

All rights and remedies herein given to a party shall be cumulative. In the event of a default of this Agreement, or any condition thereof, by Owner, Owner agrees to pay all expenses incurred by Company arising from said default, including reasonable attorneys' fees, which payment

shall be made upon demand.

(g) The obligations of Company hereunder shall be subject to all delays and contingencies beyond the control of Company.

(h) Company shall not be liable for any loss of, or damage to The Car(s).

(i) This Agreement shall be deemed to have been executed in the State of California, and in the City and County of San Francisco, and Owner agrees to be subject to the jurisdiction of the courts located in said City and County.

(j) If any provision of this Agreement should be invalid, the remaining provisions thereof shall continue to be fully effective, unless a complete failure of consideration occurs thereby, or it would be unfair to thereafter continue this Agreement.

(k) Time is of the essence of this Agreement, and to each and every condition and term thereof.

(l) A failure by either party to exercise any right set forth in this Agreement shall not constitute a waiver of that right.

(m) That there are no warranties or representations, express or implied by Company as to amount of Net Income, if any, to be derived under this Agreement.

(n) The Agreement is the complete agreement between the parties, and supercedes all prior negotiations and agreements and shall be binding upon and shall inure to the benefit of the

successors, heirs and assigns of the parties, and may be amended only by a writing signed by both the parties.

(o) For all purposes of this Agreement, the mailing address of Owner and Company shall be as follows, unless changed by a writing delivered to the other party:

Owner	Company
J. Stephen Schaub 555 California Street San Francisco, Ca. 94104	Rail-U.S. Leasing, Incorporated 633 Battery Street San Francisco, California 94111 Attention: Charles J. Scarcello

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

J. Stephen Schaub
Owner

Attest:

Secretary: Marvin L. Ferenstein

RAIL-U.S. LEASING, INCORPORATED

By: Myron M. Olmstead
Company

STATE OF California)
) SS
COUNTY OF San Mateo)

On this 22nd day of October, 1980, before me personally appeared David D. Lithgow and Lois M. Lithgow (name of the signer or signers of the foregoing instrument), to me known to be the person(s) described in and who executed the foregoing instrument and he or she acknowledged that he or she executed the same as his or her free act and deed.

(SEAL)

OFFICIAL SEAL
CAROLYN R OSCHBACH
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My comm. expires MAY 12, 1984

Carolyn R. Oschbach
Notary Public

My commission expires:
May 12, 1984

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 27th day of October, 1980, before me personally appeared D. A. Summers to me personally known, who being by me duly sworn, says he is the Vice President and General Manager (title of office) of United States Rail Services, Inc., a California corporation, and who executed the foregoing instrument dated July 15, 1980, between United States Rail Services, Inc. and David D. & Lois M. Lithgow Revocable Living Trust, David D. & Lois M. Lithgow, Trustees, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

OFFICIAL SEAL
NANCY C. I. CHAPMAN
NOTARY PUBLIC — CALIFORNIA
San Francisco County
My Commission Expires August 15, 1983

Nancy C. I. Chapman
Notary Public

(SEAL)

My commission expires: August 15, 1983