

ITEL
Pullman

May 8, 1989

RECORDATION NO. 15725 FILED 1425

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Istel Rail Corporation

55 Francisco Street
 San Francisco, California 94133
 (415) 984-4000
 (415) 781-1035 Fax

INTERSTATE COMMERCE COMMISSION

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

Re: Schedule No. 4 to Master Lease No. 2210-00 dated June 17, 1988, between Istel Railcar Corporation and Wisconsin Central Ltd.

Dear Ms. McGee:

On behalf of Istel Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record Schedule No. 3 under Master Lease No. 2210-00 dated June 17, 1988, between Istel Railcar Corporation and Wisconsin Central Ltd., which was filed with the ICC on July 17, 1988, under Recordation No. 15725.

The parties to the aforementioned instrument are listed below:

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

Wisconsin Central Ltd. (Lessee)
 One O'Hare Centre
 6250 North River Road
 Rosemont, Illinois 60018

This Schedule covers two hundred (200) 70-ton, dual 45, Plate B flatcars bearing reporting marks WC 36000-36199.

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

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LOT NO. 2210-04

INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 4

THIS SCHEDULE No. 4 ("Schedule") to that certain Lease Agreement, (the "Agreement") made as of June 17, 1988 between ITEL RAIL CORPORATION and ITEL RAILCAR CORPORATION, severally, as lessors, and WISCONSIN CENTRAL LTD., as lessee ("Lessee") is made this 24th day of March, 1989, between ITEL RAILCAR CORPORATION ("Lessor") and Lessee.

Lessor and Lessee agree as follows:

1. All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 4, except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule:

AAR Mech Desig	Description	Numbers	Length	Dimensions		No. of Cars
				Inside Width	Height	
FC	70-Ton, Dual 45; Plate B, Flatcars cushioned underframe	WC 36000- 36199	89'4"	9'		200

3. The term of the Agreement with respect to each Car described in this Schedule shall commence at 12 noon on the date such Car is remarked ("Delivery") and shall continue as to all of the Cars described in this Schedule until midnight March 31, 1994, (the "Term"). Upon the delivery of the final Car, Lessor shall provide Lessee with a Certificate of Delivery, in the form of Exhibit A attached hereto, providing the Delivery Date for each Car.
4. When a Car has been remarked, it shall be available for Initial Loading, as defined in Subsection 8.(v) hereof by any handling line or moved to Lessee's railroad line at no initial cost to Lessee at the earliest time that is consistent with the mutual convenience and economy of the parties. Lessee agrees to pay the rent set forth in the Agreement notwithstanding the fact that Lessee may not have immediate physical possession of the Cars leased hereunder.
5. Lessee shall perform the registration and record keeping required for the Cars described in this Schedule, as described in Section 4 of the

Agreement. Lessee shall register each Car in UMLER placing the letters designated by Lessor in owner's field in such a manner that Lessor, or its agent, is allowed access to any required information including but not limited to Train 62 Junction Advices and the Train 65, 67, 71 and 80 Advices with regard to each Car. If the information provided to Lessee by Lessor for registration of the Cars in UMLER is inaccurate, Lessor shall be responsible for the payment to Lessee of an amount equal to Lessee's portion as set forth in Subsection 8.C. of the revenues that would have been earned by such Car had it been properly registered in UMLER.

6. Lessor shall perform or cause to be performed and shall pay all costs and expenses associated with the maintenance of the Cars described in this Schedule, except as set forth in Section 5 of the Agreement. With respect to the Cars listed in this Schedule, Exhibit B attached hereto is hereby added to the Agreement or substituted for Exhibit B thereto. Subsection 5.A. of the Agreement shall not apply with respect to such Cars.
7. Any and all taxes relating to the Cars or their use, except for any taxes on, or measured by, Lessee's income and any taxes on or measured by, car hire receipts, shall be paid by Lessor. Any and all taxes on, or measured by, Lessee's income or car hire receipts shall be paid by Lessee.
8. Rent

A. Definitions

- (i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the date this Schedule is executed by the parties. Unless Lessor and Lessee agree otherwise, any lines purchased by Lessee or added to the Eligible Lines or any Eligible Lines sold by Lessee to another party, effective on the date of such sale, during the initial Term or any extended term are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined in Subsection 8.A.(iii) hereinbelow).
- (ii) "Revenues Rates" is defined as the hourly and mileage car hire rates specified for each Car in the Hourly and Mileage Car Hire Rate Table published in the January 1989 edition of The Official Railway Equipment Register.
- (iii) "Revenues" is defined as the total revenues, calculated at the Revenue Rates, that are earned or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to, per diem and

mileage, whether or not collected and received by Lessor, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.

(iv) The "Base Rent" is defined as follows:

Such amounts represent the Revenues that each Car would earn per calendar quarter calculated at the Revenue Rates if the Cars were on railroad lines other than Eligible Lines for _____ of the hours that such Cars were subject to the Agreement during such calendar quarter, with each Car travelling _____

The Base Rent for any Car which is not subject to the Agreement for an entire calendar quarter shall be prorated per day for such Car during such calendar quarter as follows:

(v) "Initial Loading" of a Car shall be the earlier to occur of either: 1) the date such Car shall have been loaded by a handling line other than Lessee with the first load of freight; or 2) the thirty-first (31st) day after such Car is first received and accepted on Lessee's lines.

B. Lessor shall receive all Revenues earned by each Car prior to its Initial Loading. Each Car delivered pursuant to Subsection 3.A. of the Agreement shall become subject to the rental calculation under Subsection 8.C. hereinbelow upon the Initial Loading of such Car.

C. Lessee agrees to pay rent to Lessor for the Cars calculated as follows:

- (i) In the event Revenues earned in any calendar quarter or applicable portion thereof are equal to or less than the Base Rent, Lessor shall receive from Lessee a sum equal to
 - (ii) In the event Revenues earned in any calendar quarter or applicable portion thereof exceed the Base Rent, Lessor shall receive from Lessee an amount equal to
- D.
- (i) In the event that the Revenue Rates specified in Subsection 8.A.(ii) hereto are reduced by any action or inaction by Lessee, which results in Lessor receiving less than Base Rent for each calendar quarter as specified in Subsection 8.A.(iv), Lessee shall pay to Lessor, within ten (10) days of Lessor's request, an amount equal to the difference between the Revenues such Cars would have earned at the Revenue Rates and the amount of revenues actually received or earned for such Cars up to the Base Rent.
 - (ii) Should any abatement, reduction or offset occur as a result of any action or inaction of Lessee which results in Lessor earning less than the Base Rent as referenced in Subsection 8.A.(iv), Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor the amount of such abatement, reduction or offset, up to the Base Rent.
 - (iii) If, at any time during the Agreement, Lessee operates lines other than the Eligible Lines, Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Lessee.
- E. Any agreement between Lessee and any other party with respect to the Cars ("Third Party Agreement(s)") shall be null and void without Lessor's prior written approval if such Third Party Agreement affects the revenues earned by the Cars.
- F. The calculations pertinent to Section 8 shall be made within five (5) months of the end of each calendar year ("Final Calculations"). Lessee shall pay to Lessor by the sixtieth (60th) day after the end of each calendar month, one hundred percent (100%) of the total revenues received during that calendar month. At the time of such payment, Lessee shall report to Lessor for the revenues received during the same calendar month the hours earned, miles traveled and dollar value thereof. Lessor shall within three (3) months of the end of each calendar quarter, calculate

on a quarterly year-to-date basis, the approximate amount, if any, due either party pursuant to this Section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, provided, however, that within twenty (20) days following the Final Calculations, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.

- G. If, with respect to any calendar quarter, Revenues received by Lessor for the Cars in the aggregate while they were on railroad lines other than the Eligible Lines are less than

for the Cars described in this Schedule, then Lessor may so notify Lessee. Within ten (10) days of receipt of such notice from Lessor, Lessee shall at its option either:

- (i) Pay Lessor the difference ("Difference") between actual Revenues and Base Rent in the event that such Difference occurs in any calendar quarter during the first twelve (12) months of the Agreement; or,
- (ii) Pay Lessor the Difference between the Adjusted Base Rent and the actual Revenues for such calendar quarter and agree to pay the Adjusted Base Rent for each subsequent calendar quarter for the duration of the Agreement with respect to the Cars in this Schedule should such Difference occur in any calendar quarter after the first twelve (12) months, regardless as to whether a Difference occurred during the first twelve (12) months of the Agreement. Lessee shall pay Lessor such Adjusted Base Rent not later than ten (10) days after the end of each calendar quarter; or,
- (iii) Elect not to pay Lessor such Difference for such quarter. In such event, Lessor may terminate all or any of the Cars described in this Schedule from the Agreement upon not less than thirty (30) days' written notice to Lessee at any time during the duration of the Agreement.
- (iv) The terms of this Subsection 8.G. shall apply only to the Cars listed on this Schedule No. 4.

- H. With respect to the Cars described in this Schedule, Lessee shall use its best efforts to load such Cars offline prior to loading any similar equipment leased by or assigned to Lessee from other parties subsequent to the date of this Agreement, purchased by Lessee subsequent to the date of this Agreement or received in interchange; provided, however, that this shall in no event prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor.

If Lessee fails to so use its best efforts and during any calendar quarter Revenues received by Lessor in the aggregate fall below the Base Rent, then Lessee shall pay Lessor the Difference between actual revenues and Base Rent for each such calendar quarter.

I. If, at any time during the term of this Agreement, the Interstate Commerce Commission abandons or lowers the per diem and mileage revenues referenced in Subsection 8.A.(ii), then the parties agree to negotiate a new agreement, provided, however, that if a new lease agreement cannot be mutually agreed upon within ninety (90) days, either party may, at its option and upon not less than thirty (30) days' prior written notice to the other, terminate the Agreement with respect to the Cars on this Schedule.

9. Except as expressly modified by this or any other ^{amendment, to this 977 2/18} Schedule, all terms and provisions of the Agreement shall remain in full force and effect with respect to all Cars subject to the Agreement.

10. This Schedule may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

ITEL RAILCAR CORPORATION

WISCONSIN CENTRAL LTD.

By: *J.P. Hayes*

By: *J.F. Flower*

Title: *President*

Title: *EVP/CFO*

Date: *March 24, 1989*

Date: *3/9/89*

EXHIBIT A

CERTIFICATE OF DELIVERY DATE

Exhibit A to Schedule No. 4 dated as of _____ to Lease Agreement dated as of June 17, 1988, by and between ITEL RAILCAR CORPORATION ("Lessor") and WISCONSIN CENTRAL LTD ("Lessee").

DATE

CAR REPORTING
MARKS AND NUMBER

DELIVERY

ITEL RAILCAR CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT B

Running Repairs: TOFC/COFC Flatcars

Angle Cocks	Wheels
Air Hose	Yokes
Train Line	Knuckles/Pins
Operating Levers and Brackets	Slack Adjuster
Sill Steps	Pedestal Locks
Grab Irons	Couplers
Brake Shoes	Draft Gears
Brake Shoe Keys	Coupler Carriers
Brake Connecting Pin	Center Plate Repair (Not Replacement of Center Plate)
Brake Head Wear Plates	Lube of Hitches
Air Brakes	Cotter Keys
Hand Brakes	Roller Bearing Adapters
Brake Beams and Levers	Air Hose Supports
Truck Springs	

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

On this 24th day of March, 1989, 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 Railcar Corporation, that the foregoing Schedule No. 4 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 ILLINOIS)
) ss:
COUNTY OF COOK)

On this 9th day of MARCH, 1988, before me personally appeared T.F. POWER, JR., to me personally known, who being by me duly sworn says that such person is E.V.P. + C.F.O. of WISCONSIN CENTRAL LTD. that the foregoing Schedule No. 4 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.

Catherine D. Alalana

Notary Public

