

# ITEL

August 18, 1988

## Itel Rail Corporation

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

RECORDATION NO. 1 5781 FILED 1988

AUG 21 1988 - 11 10 AM

INTERSTATE COMMERCE COMMISSION

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

Re: Schedule 1 to Master Lease No. 2231-00 dated as of August 11, 1988, among Itel Rail Corporation, Itel Railcar Corporation and Cargill, Inc.

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 \$13 recordation fee.

Please record this Schedule 1 under the Master Lease dated as of August 11, 1988, among Itel Rail Corporation, Itel Railcar Corporation and Cargill, Inc., which is being filed with the ICC simultaneously this date.

The parties to the aforementioned instrument are listed below:

Itel Rail Corporation and  
Itel Railcar Corporation (Lessors)  
55 Francisco Street  
San Francisco, California 94133

Cargill, Inc. (Lessee)  
Box 5606  
Minneapolis, Minnesota 55440

This Schedule 1 adds to the Master Lease up to nineteen (19) covered hopper cars bearing reporting marks USLX 5154-27313 (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

AUG 21 1988 - 11 10 AM [LOT NO. 2231-01]

INTERSTATE COMMERCE COMMISSION  
SCHEDULE NO. 1

THIS SCHEDULE No. 1 ("Schedule") to that certain Lease Agreement (the "Agreement") made as of August 11, 1988 between ITEL RAIL CORPORATION and ITEL RAILCAR CORPORATION, severally, as lessors, and CARGILL, INC., as lessee ("Lessee") is made this 11th day of August, 1988, 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. 1, 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 Design.	Description	Numbers	Length	Dimensions Inside Width	No. of Cars
LO	4750-4780 c.f. covered hoppers	USLX 5154 - 27313 (N.S.)	55'3" - 54'1"	10'	up to 19

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 delivered ("Delivery") and shall continue as to all of the Cars described in this Schedule for twelve (12) months from the earlier of (i) the date on which the last Car described in this Schedule was delivered or (ii) sixty (60) days from the date the first Car described in this Schedule was delivered (the "Initial Term"). Upon the delivery of the final Car, Lessor shall notify Lessee in writing of the expiration date of the Initial Term. Unless Lessee, within fifteen (15) days of the date of such notice, demonstrates to the satisfaction of Lessor that such date is incorrect, then Lessee shall be deemed to have concurred to such date.
4. Within five (5) days after Lessor has given Lessee notice that Cars are ready for delivery, Lessee may have its authorized representative inspect such Cars at the point specified in the notice. Cars so inspected and accepted by Lessee and any Cars which Lessee does not inspect within five (5) days of such notice of delivery shall, upon Delivery thereof, be deemed accepted and subject to the Agreement. At Lessor's request, Lessee shall deliver to Lessor an executed Certificate of Acceptance in the form of Exhibit A attached hereto with respect to any and all Cars.
5. Lessor shall perform the registration and record keeping required for the Cars described in this Schedule, as described in Section 4 of the Agreement.

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. Lessor shall at all times be liable for, and shall pay all federal, state, or other governmental property taxes assessed against or levied upon the Cars. Lessee shall be liable for all sales, use or gross receipts taxes imposed upon the Cars or upon car hire payments, including payments for time and mileage, for the use or handling of the Cars during the term of this Schedule.
8. A.  

during the Initial Term or any Extended Term. The Fixed Rent for any Car which is not subject to the Agreement for an entire Month

shall be due and payable regardless of any claimed abatement, reduction or offset, except as otherwise provided herein.
- B. Lessee shall pay to Lessor the Fixed Rent, and all taxes reimbursable to Lessor as additional rent hereunder, on the first day of each month during the Initial Term and any Extended Term. Mileage payments paid or allowed by railroads with respect to the Cars shall be the property of Lessor, but Lessor shall credit mileage payments actually received by it during an Accounting Period (as defined below) (less taxes, other than Lessor's income taxes, due or to become due on account of such mileage payments) against rent due then or thereafter under the Agreement with respect to Cars described in this Schedule during such Accounting Period ("Accounting Period" is defined as any consecutive twelve month period from the execution date of the applicable Schedules); provided, however, that in no event shall the aggregate mileage payments credited exceed the total rent payable by Lessee during such Accounting Period. Any credit unused at the end of the Initial Term and any Extended Term with respect to such Cars shall be the property of Lessor. In the event Lessor receives mileage payments on the Cars in any Accounting Period or applicable portion thereof that equal less than the total Fixed Rent due on the Cars for such period, then Lessee shall, within ten (10) days of receiving an invoice from Lessor, pay Lessor the difference between such payments received by Lessor and total Fixed Rent due.
- C. For any Car undergoing repairs for which Lessor is responsible, the Fixed Rent shall abate on the fifth (5th) day after a Car is placed into a repair facility and shall not recommence until the day such Car is delivered to Lessee or otherwise returned to service. In case of such abatement, the Initial Term and any Extended Term(s) may, at Lessor's option, be extended for a period

of time to be determined by dividing the aggregate number of days the Fixed Rent for the Cars subject to this Schedule was abated by the number of Cars subject to this Schedule on the date Lessor performs such calculation.

9. A. Lessee agrees to defend, indemnify and hold Lessor harmless from any and all claims, losses, damages, liabilities, costs, and expenses (including attorney's fees) with respect to, caused by, or arising out of the Cars which are occasioned by the fault of Lessee, occur while the Cars are in Lessee's possession or control, or would be the "handling carrier's" responsibility under the Interchange Rules, as if the Cars were not bearing Lessee's reporting marks.
- B. Except as provided in Subsection 9.A. above, and except for those claims, losses, damages, liabilities and expenses for which Lessee shall be responsible as set forth in this Agreement, Lessor shall indemnify and hold Lessee harmless from any and all loss, damage or destruction of or to the Cars, ordinary wear and tear excepted.

The indemnities and assumptions of liability contained in this Agreement shall survive the expiration or termination of the Agreement.

10. Upon the expiration or termination of the Agreement with respect to the Car(s) described in this Schedule, Lessee shall return such Car to Lessor by delivering it to Lessor at such maintenance, storage or terminal facility as Lessor designates to Lessee in writing.
11. Except as expressly modified by this or any other Schedule, all terms and provisions of the Agreement shall remain in full force and effect with respect to all Cars subject to the Agreement.
12. 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

CARGILL, INC.

By: *[Signature]*

By: *[Signature]*

Title: *President*

Title: *AVP*

Date: *Aug. 11, 1988*

Date: *8-3-88*

EXHIBIT A

CERTIFICATE OF DELIVERY DATE

Exhibit A to Schedule No. 1 dated as of \_\_\_\_\_ to Lease Agreement dated as of \_\_\_\_\_, by and between ITEL RAILCAR CORPORATION ("Lessor") and CARGILL, INC., ("Lessee").

CAR REPORTING  
MARKS AND NUMBER

DELIVERY DATE

The last day of the Initial Term for the above referenced Cars shall be

\_\_\_\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

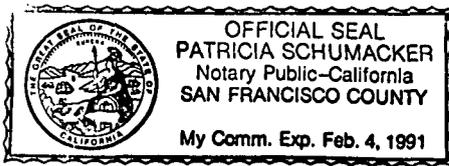
EXHIBIT B

Running Repairs: Covered Hoppers

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

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

On this 11th day of August, 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 Railcar Corporation, that the foregoing Schedule 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 of corporation.



Patricia Schumacker  
Notary Public

STATE OF MINNESOTA )  
 ) ss:  
COUNTY OF HENNEPIN )

On this 3rd day of August, 1988, before me personally appeared Gary L. Mills, to me personally known, who being by me duly sworn says that such person is Asst. V.P. of Cargill, Inc., that the foregoing Schedule 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 of corporation.

Marilyn M Pike  
Notary Public

