

# ITEL

December 18, 1986

**Ite**l Rail Corporation

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

RECORDATION NO. 1 5149

Filed

7-006A0881

JAN 6 1987 3-05 PM

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

INTERSTATE COMMERCE COMMISSION

No.

Date JAN 06 1987

Fee \$ 20.00

ICC Washington, DC

Re: Rider A to Master Lease No. 1200, dated December 12, 1986, between Ite

l Rail Corporation and Midsouth Rail Corporation

Dear Ms. McGee:

On behalf of Ite

l Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 USC §11303(a), along with a check in the amount of \$20 covering the recordation fees.

Please record this Rider under the new recordation number assigned to Master Lease No. 1200 (transmitted with this filing), dated December 12, 1986, between Ite

l Rail Corporation and Midsouth Rail Corporation, and cross-index same with the Equipment Trust Agreement dated January 1, 1982, between Ite

l Rail Corporation and First Security Bank of Utah, N.A., which was filed with the ICC on September 20, 1983 and given Recordation No. 14165.

The parties to the aforementioned instrument are listed below:

Ite

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

Midsouth Rail Corporation (Lessee)  
111 E. Capitol Street, Suite 500  
Jackson, Mississippi 39201

NOTIFICATION  
JAN 6 2 46 PM '87

The equipment covered by this Rider are ninety-one (91) 60'10", 100-ton, Plate C, XM boxcars bearing reporting marks MSRC 4000-4090.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,

*pschumacker*

Patricia Schumacker  
Legal Department

:ps  
Enclosures

cc: Howard L. Chabner, Esq.  
Ginny Hanger

11/20/86

JAN 6 1987 3-0 5 PM

INTERSTATE COMMERCE COMMISSION

RIDER A  
TO  
MASTER LEASE NO. 1200 BETWEEN ITEL RAIL CORPORATION  
AND MIDSOUTH RAIL CORPORATION

THIS RIDER A ("Rider A") to that certain Lease Agreement (the "Agreement") made as of December 12, 1986 between Itel Rail Corporation ("Lessor") and Midsouth Rail Corporation, ("Lessee") is made this 12th day of December, 1986 between Lessor and Lessee.

R E C I T A L S

- A. Pursuant to the two (2) Agreements dated September 12, 1980 between Warwick Railway Company ("WRC"), as predecessor in interest to Providence & Worcester Company ("PW") and Itel Corporation, Rail Division, as predecessor in interest to Lessor, Lessor has been appointed as PW's agent with full power and authority to sublease certain boxcars described therein, on behalf of PW but in the name of Lessor. Pursuant to a letter from WRC dated September 12, 1980, Lessor is entitled to retain all revenues earned from such subleases.
- B. Lessor and Lessee desire to enter into Rider A with respect to a portion of such boxcars:

Lessor and Lessee agree as follows:

- 1. All terms defined in the Agreement shall have the meanings defined therein when used in Rider A.
- 2. A. Lessor hereby subleases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Rider A:

A.A.R. Mech. Desiq.	Description	Numbers	Length	Dimensions		Doors	No. of Cars
				Inside Width	Height		
XM	100 Ton, Plate C boxcar cushion underframe	MSRC 4000- 4090	60'10"	9'6"	11'0"	12' sliding	91

- 3. A. The term of the Agreement with respect to each Car listed on this Rider A and delivered to Lessee shall commence at 12:01 a.m. on the date and at the location that such Car is remarked pursuant to Subsection 3.A. of the Agreement, and shall expire as to each Car five (5) years from the earlier of (i) the date on which the last Car listed on this Rider A was remarked or (ii) sixty (60) days after the date on which the first Car listed on this Rider A was remarked (the "Initial Term").

- B.** If this Agreement has not been terminated early and no unremedied default has occurred pursuant to Section 9 of the Agreement, the Agreement shall be extended only upon the mutual written agreement of the parties hereto (the "Extended Term").
- 4.** Lessor shall, at its expense, remark the Cars with the railroad markings of Lessee in compliance with all applicable regulations. Each Car shall be deemed delivered and subject to the terms and provisions of this Agreement at 12:01 a.m. on the date and at the location such Car is remarked ("Delivery"). After the Cars have been remarked, the Cars shall be moved to Lessee's railroad line at no cost to Lessee. Lessor warrants that, upon Delivery, each Car shall meet or exceed specifications for interchange service as defined in the Field Manual of the Association of American Railroads ("AAR") Interchange Rules. Notwithstanding that Lessee may not have immediate physical possession of the Cars leased hereunder, Lessee agrees to pay the rent set forth in Section 7 of this Agreement. For the purposes hereof and of Section 7, the term "Initial Loading" as to each Car, shall be the earlier of (1) the date the Car is loaded off Lessee's railroad line with the first load of freight, or (2) the thirty-first (31st) day after such Car is interchanged to Lessee. Lessee shall not remove its railroad reporting marks from the Cars without the prior written consent of Lessor.
- 5.** Lessee agrees to pay to Lessor the following rent for the use of the Cars listed on Rider A:

**A. Definitions**

- (i) "Revenues" is defined as the total revenues earned and due from railroad companies other than Lessee for the use or handling of the Cars, 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 of Lessee. Upon any such abatement, reduction or offset, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor for such amounts.
- (ii) The "Utilization Rate" of the Cars is defined as a fraction, the numerator of which is the aggregate number of days in each calendar year, or applicable portion thereof, that Revenues were earned on the Cars commencing from Delivery, and the denominator of which is the aggregate number of days in each calendar year, or applicable portion thereof, that the Cars were on lease to Lessee, commencing from Delivery.
- B.** Lessor shall receive all revenues earned by each Car prior to its Delivery. Each Car delivered pursuant to Subsection 3.A. of the Agreement shall become subject to the rental calculation under Subsection 4.C. of this Rider A upon Delivery of such Car.

- C.
- D. In order for Lessor to meet its financial commitments, Lessee shall report to Lessor by the sixtieth (60th) day after each calendar month in which Revenues were actually earned ("Service Month"), the total hours earned, total miles travelled off Lessee's line and the dollar figure equal to one hundred percent (100%) of the earned Revenues. Lessee shall remit to Lessor all Revenues within twenty (20) days after Lessee receives such Revenues, provided, however, that Lessee pays to Lessor one hundred percent (100%) of the earned Revenues, for each Service Month within one hundred twenty (120) days after such Service Month. Lessee shall include a reconciliation with each payment that specifies which month(s) such payment is for and lists out per diem and mileage revenues. In the event that any received Revenues are not remitted to Lessor by Lessee within twenty (20) days after Lessee receives such Revenues ("Late Revenues"), Lessee shall pay to Lessor additional amount ("Late Fee") equal to ten percent (10%) of the Late Revenues. If the car hire records relating to the Cars are maintained by a party other than Lessee, Lessee hereby grants Lessor the authority to inspect such records during such party's normal business hours, provided, however, that Lessor shall notify Lessee at least ten (10) days before such inspection occurs.
- E. If, with respect to any calendar quarter, Revenues are less than the amount of Revenues the Cars would have earned at ("Base Amount"), Lessor may, at any time, at its option and upon not less than ten (10) days' prior written notice to Lessee, terminate this Agreement as to such Cars as Lessor shall determine; provided, however, that Lessee may, at its option, within ten (10) days of receipt of such notice from Lessor, void such termination notice by paying to Lessor for such calendar quarter and within ten (10) days after each notification from Lessor that Revenues for any subsequent calendar quarter are less than the Base Amount, an amount equal to the difference between the actual Revenues for the applicable calendar quarter and the Base Amount, with the Cars in the aggregate travelling at the same number of miles per day that the Cars actually travelled during such calendar quarter.
- F. Lessee shall not discriminate against the Cars in the provision of off-line loads, operation, use and maintenance as compared with any comparable boxcars, including boxcars owned, leased or managed by Lessee or interchanged to Lessee.
6. A. Upon the expiration of the Agreement with respect to any Car, Lessee shall promptly return such Car to Lessor as follows:
- (i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to the Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car described on any Schedule which is either

on the Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad tracks, up to one hundred twenty (120) days free storage on its railroad tracks from either the date of expiration or the date the last Car on such Schedule is returned to Lessee's railroad line subsequent to the time of expiration, whichever date is later.

(ii) At the option of Lessor, either Lessee or a contractor mutually chosen by Lessor and Lessee shall, at Lessee's expense, remark the Cars as set forth in Subsection 10.C. of the Agreement. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall load each Car with freight and deliver such Car to a connecting carrier for shipment.

(iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Lessor. Lessee shall bear the expense of remarking such Cars.

B. Remarking, with respect to each Car, shall include the following: a) removal of existing mandatory markings of Lessee; b) complete cleaning subsequent to the removal of markings as designated by Lessor; c) application of new mandatory markings; and d) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.

7. Except as expressly modified by this Rider A, all terms and provisions of the Agreement shall remain in full force and effect.

8. This Rider A 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

By: *A. W. Hayes*  
Title: President  
Date: December 12, 1986

MIDSOUTH RAIL CORPORATION

By: *E. V. Mayers*  
Title: PRESIDENT & CEO  
Date: DEC. 4, 1986

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

On this 12th day of December, 1986, 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 Rider 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.



Ginny E. Hanger  
Notary Public

STATE OF MISSISSIPPI )  
 ) ss:  
COUNTY OF HINDS )

On this 4th day of DECEMBER, 1986, before me personally appeared E. L. MOYERS, to me personally known, who being by me duly sworn says that such person is PRESIDENT & CEO of Midsouth Rail Corporation, that the foregoing Rider 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.

Aylia R. Holland  
Notary Public  
My Commission Expires August 11, 1990