

ITEL

January 30, 1992

IteI Rail Corporation

550 California Street
San Francisco, CA 94104
(415) 984-4200

Hon. Sidney L. Strickland, Jr., Esq.
Secretary
Interstate Commerce Commission
Washington, DC 20423

RECORDED BY 10129 V
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INTERSTATE COMMERCE COMMISSION

Re: Amendment No. 14

Dear Mr. Strickland:

On behalf of IteI Rail Corporation, the above instruments, in three (3) counterparts each, are hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$16 recordation fee.

Please record this Amendment under the Lease Agreement dated as of July 26, 1978, between IteI Rail Corporation and Minnesota, Dakota and Western Railroad Company, which was filed with the ICC on February 22, 1979, under Recordation No. 10129.

The parties to the enclosed document are listed below:

IteI Rail Corporation (Lessor)
550 California Street
San Francisco, California 94104

Minnesota, Dakota and Western Railroad Company (Lessee)
International Falls, Minnesota 56649

Amendment No. 14, extends the term of the Lease Agreement and amends the rental provisions with respect to boxcars bearing reporting marks MDW 9000-9099, MDW 1700-1799, and MDW 10000-10414.

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 Assistant

10129-V

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INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 14 TO LEASE AGREEMENT

THIS AMENDMENT NO. 14 ("Amendment") to that certain Lease Agreement, as amended (the "Agreement"), made as of July 26, 1978 between ITEL RAIL CORPORATION, as successor in interest to Itel Corporation, Rail Division, as lessor ("Lessor"), and MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY as lessee ("Lessee"), is made as of this 30th day of December 1991 between Lessor and Lessee.

RECITALS:

- A. Lessor and Lessee are parties to the Agreement pursuant to which Lessor has leased to Lessee a number of boxcars bearing Lessee's reporting marks as described on the Equipment Schedules attached to the Agreement (the "Boxcars").
- B. The Boxcars marked MDW 10042, MDW 10186 and MDW 10306 were destroyed on or about March 31, 1989, June 8, 1988, and July 14, 1991, respectively, and ceased to be subject to the Agreement on such dates.
- C. The initial term of the Agreement expired on October 29, 1991 with respect to the one hundred eighty-three (183) Boxcars marked MDW 10000-10199 (nonsequential), described on Schedule A.1.; the one hundred (100) Boxcars marked MDW 10200-10299 described on Schedule E; the one hundred thirteen (113) Boxcars marked MDW 10300-10414 (nonsequential) described on Schedule G; and the one hundred (100) Boxcars marked MDW 1700-1799 described on Schedule F; and expires on October 29, 1992 with respect to the ninety-six (96) Boxcars marked MDW 9000-9099 described on Schedule A.1.
- D. The Boxcars marked MDW 9000-9099 are subject to the Assignment Agreement dated November 1, 1989 between Lessee as assignor and The Atchison, Topeka and Santa Fe Railway Company (the "Second ATSF Assignment").
- E. Twenty-nine Boxcars from within the series MDW 10005-10408 are subject to the undated Boxcar Use Agreement between Lessee as Railroad and Canadian National Railways as User that was fully executed on August 6, 1990 and amended on September 5, 1991 (the "CN Agreement").
- F. The Boxcars marked MDW 1700-1799 are subject to the Boxcar Assignment Agreement dated July 10, 1990 between Lessee as Assignor and The Atchison, Topeka and Santa Fe Railway Company as Assignee (the "1990 ATSF Assignment").
- G. Lessor and Lessee desire to extend the term of the Agreement and to amend its rental provisions with respect to MDW 9000-9099, to MDW 1700-1799 and to MDW 10000-10414 (all such Boxcars hereinafter referred to as the "Renewed Boxcars") and to make such rental provisions apply throughout the term of the Agreement with respect to such Renewed Boxcars.

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

- 1. All terms defined in the Agreement shall have their defined meaning when used in this Amendment.

2. Effective upon its full execution, Schedule A.2. attached hereto shall replace Schedule A.1. to the Agreement and all references to Schedule A.1. in the Agreement shall be deemed to refer to Schedule A.2.
3. Effective upon its full execution, Schedule E.1. attached hereto shall replace Schedule E to the Agreement and all references to Schedule E in the Agreement shall be deemed to refer to Schedule E.1.
4. Effective upon its full execution, Schedule G.1. attached hereto shall replace Schedule G to the Agreement and all references to Schedule G in the Agreement shall be deemed to refer to Schedule G.1.
5. With respect to the Renewed Boxcars, this Amendment shall become effective upon its full execution.
6. With respect to the Renewed Boxcars only, the following is added to Subsection 2.A. of the Agreement:

"The term of the Agreement with respect to the Renewed Boxcars shall be extended for 10 years commencing on October 30, 1991."

7. Lessor at its expense shall repaint and refurbish each Renewed Boxcar by December 31, 1995, excluding those Renewed Boxcars identified as having been through such a program prior to the effective date of this Amendment.
8. With respect to the Renewed Boxcars only, Subsections 7.A.(i) and (ii) of the Agreement are replaced by the following:

"A. (i) Lessor shall receive on Lessee's behalf all payments including but not limited to (a) mileage charges and (b) hourly charges ('Per Diem') made to Lessee by other railroad companies for their use or handling of the Renewed Boxcars. Lessor shall be entitled to and shall retain all mileage charges earned on the Renewed Boxcars. If the Per Diem Utilization of all such Renewed Boxcars on an aggregate basis for each calendar quarter or applicable portion thereof after October 29, 1991 ('Quarter'), shall be equal to or less than _____, then Lessor shall retain _____ of such Per Diem. For the purpose of this Agreement, Utilization of the Boxcars shall be determined by a fraction, the numerator of which is the aggregate number of days in each Quarter that Per Diem car hire payments are earned from the Renewed Boxcars, and the denominator of which is the aggregate number of days in each Quarter that such Renewed Boxcars are on lease to Lessee.

(ii) In the event Per Diem Utilization exceeds _____ in any Quarter for the Renewed Boxcars, ITEL shall receive an amount equal to the ITEL Base Rental plus an amount equal to _____ of the Per Diem earned in excess of the ITEL Base Rental, and Lessee shall receive _____ of the Per Diem earned in excess of the ITEL Base Rental. For purposes hereof ITEL Base Rental shall be an amount equal to the total Per Diem earned from the Renewed Boxcars for each Quarter, multiplied by a fraction, the numerator of which is

and the denominator of which is the Utilization of such Renewed Boxcars for such Quarter."

9. Subsections 7.A.(i) and 7.A.(ii) as amended hereinabove shall be in full force and effect during the term of the CN Agreement, the Second ATSF Agreement, and the 1990 ATSF Agreement with respect to the Renewed Boxcars that are subject to such agreements.
10. With respect to the Renewed Boxcars only, Subsection 7.D. of the Agreement is amended by replacing " " each time it appears with " percent" and "for Boxcars bearing the reporting marks MDW 6000-6099, MDW 9000-9099 and MDW 10000-10199" with "Renewed Boxcars", and "Boxcars" when used in such Subsection 7.D. shall refer to the Renewed Boxcars.
12. With respect to the Renewed Boxcars only, "30 days" in the last sentence of Section 10 of the Agreement is replaced by "120 days".
13. Except as expressly modified by this or any other Amendment, all terms and provisions of the Agreement shall remain in full force and effect with respect to the Renewed Boxcars and all Boxcars subject to the Agreement.
14. This Amendment may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

Each party, pursuant to due corporate authority, has caused this Amendment to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Amendment was the free act and deed of the corporation, the foregoing is true and correct and that this Amendment was executed on the date indicated below.

ITEL RAIL CORPORATION

MINNESOTA, DAKOTA & WESTERN
RAILWAY COMPANY

By: Timothy G. Smith
Title: V.P. SALES
Date: 12/30/91

By: Lee Walker
Title: Vice President
Date: 12/19/91

SCHEDULE A.2.

ITEL RAIL CORPORATION hereby leases the following Cars to MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY pursuant to that certain Lease Agreement dated as of July 26, 1978, as amended.

AAR Mech. Desig.	Description	Reporting Marks and Numbers	Length	Inside Width	Height	Doors Width	No. of Cars
XP	50' Boxcars, 70-ton, Plate C, End of Car Cushioning, Single Sheath, Exterior Post Design, Nailable Steel Floor	MDW 9000-9022, 9024-9027, 9029-9040, 9042-9075, 9077-9099,	50' 6"	9' 6"	11'	10' Plug	96
XP	50' Boxcars, 70-ton, Plate C, End of Car Cushioning, Single Sheath, Exterior Post Design, Nailable Steel Floor	MDW 10005, 10044, 10077, 10148, 10172	50' 6"	9' 6"	11'	6' Plug and 10' Sliding	5
XM	50' Boxcars, 70-ton, Plate C, End of Car Cushioning, Single Sheath, Exterior Post Design, Nailable Steel Floor	MDW 10000-10004, 10006, 10008-10013, 10015-10038, 10040, 10041, 10043, 10045-10062, 10064-10076, 10078-10089, 10091-10100, 10102-10126, 10128-10131, 10133-10147, 10149-10165, 10168-10171, 10173-10175, 10178-10185, 10187, 10189-10190, 10193-10199	50' 6"	9' 6"	11'	6' Plug and 10' Sliding	178

Each party, pursuant to due corporate authority, has caused this Schedule A.2., which replaces Schedule A.1. to the Agreement, to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Schedule A.2. was the free act and deed of the corporation, the foregoing is true and correct and that this Schedule A.2. was executed on the date indicated below.

ITEL RAIL CORPORATION

MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY

By: *Vincent A. Smith*
 Title: V. P. Sales
 Date: 12/30/91

By: *R. W. Walker*
 Title: 12/15/91
 Date: 12/15/91

SCHEDULE E.1.

ITEL RAIL CORPORATION hereby leases the following Cars to MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY pursuant to that certain Lease Agreement dated as of July 26, 1978, as amended.

AAR Mech. Desig.	Description	Reporting Marks and Numbers	Length	Inside Width	Height	Doors Width	No. of Cars
XM	50', 70-Ton, Plate C Boxcars with Cushion Underframe and Nailable Steel Floor	MDW 10200, 10201, 10205, 10207, 10208, 10210, 10212-10214, 10216, 10219-10221, 10223, 10225, 10227, 10229-110231, 10233, 10235-10237, 10242-10246, 10248, 10250-10251, 10255, 10256, 10258-10261, 10263-10266, 10268-10272, 10275-10279, 10281-10285, 10287-10289, 10292, 10293, 10296-10299	50' 6"	9' 6"	11' 0'	10'	65
XP	50', 70-Ton, Plate C Boxcars with Cushion Underframe and Nailable Steel Floor	MDW 10202-10204, 10206, 10209, 10211, 10215, 10217, 10218, 10222, 10224, 10226, 10228, 10232, 10234, 10238-10241, 10247, 10249, 10252-10254, 10257, 10262, 10267, 10273, 10274, 10280, 10286, 10290, 10291, 10294, 10295	50' 6"	9' 6"	11' 0'	10'	35

Each party, pursuant to due corporate authority, has caused this Schedule E.1., which replaces Schedule E to the Agreement, to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Schedule E.1. was the free act and deed of the corporation, the foregoing is true and correct and that this Schedule E.1. was executed on the date indicated below.

ITEL RAIL CORPORATION

MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY

By: *Walter G. Smith*
 Title: *V.P. - Sales*
 Date: *12/30/91*

By: *Lee Walker*
 Title: *Vice President*
 Date: *12/19/91*

SCHEDULE G.1.

ITEL RAIL CORPORATION hereby leases the following Cars to MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY pursuant to that certain Lease Agreement dated as of July 26, 1978, as amended.

AAR Mech. Desig.	Description	Reporting Marks and Numbers	Length	Inside Width	Height	Doors Width	No. of Cars
XM	50', 70-Ton, Plate C Boxcars with Cushion Underframe and Nailable Steel Floor	MDW 10300-10305, 10307-10325, 10327-10343, 10345-10393, 10395, 10396, 10398-10407, 10409-10414	50' 6"	9' 6"	11' 1'	10'	109
XP	50', 70-Ton, Plate C Boxcars with Cushion Underframe and Nailable Steel Floor	MDW 10326, 10344, 10394, 10408	50' 6"	9' 6"	11' 1'	10'	4

Each party, pursuant to due corporate authority, has caused this Schedule G.1., which replaces Schedule G to the Agreement, to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Schedule G.1. was the free act and deed of the corporation, the foregoing is true and correct and that this Schedule G.1. was executed on the date indicated below.

ITEL RAIL CORPORATION

MINNESOTA, DAKOTA & WESTERN RAILWAY COMPANY

By: *Michael G. Sturt*
 Title: *V.P. Sales*
 Date: *12/30/91*

By: *R. A. Walker*
 Title: *Vice President*
 Date: *12/19/91*