

# ITEL

17668/X  
RECORDATION NO. FILED MSB  
**Istel Rail Corporation**

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

January 9, 1992

JAN 13 1992 - 10 45 AM

INTERSTATE COMMERCE COMMISSION

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

2-013A008

17668  
RECORDATION NO. FILED MSB

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INTERSTATE COMMERCE COMMISSION

Re: 1) Class II and III Railroad Per Diem Lease (the "Lease")  
2) Schedule I

Dear Mr. Strickland:

On behalf of Istel Rail Corporation, the above instrument, in three (3) counterparts each, are hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$32 recordation fee.

Please record the Lease dated December 30, 1991, between Istel Rail Corporation and Atlanta and Saint Andrews Bay Railway Company, under a new recordation number. Please record Schedule I under the new recordation number assigned to the Lease.

The parties to the aforementioned instrument are listed below:

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

Atlanta and Saint Andrews Bay Railway Company (Lessee)  
514 E. Main Street  
P.O. Box 729  
Dothan, Alabama 36302

The Lease sets forth terms and conditions by which railcars are leased. Schedule I adds to the Lease: one hundred sixty-three (163) 50 foot, 70-ton, Plate B boxcars marked ASAB 7000-7463 (n.s.); three hundred forty-four (344) 50 foot, 70-ton, Plate C bocars marked ASAB 7100-7513 (n.s.); and forty-three (43) 60 foot, 100-ton, Plate E boxcars marked ASAB 8008-8201 (n.s.).

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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,

A handwritten signature in cursive script that reads "patricia schumacker". The signature is written in black ink and is positioned above the typed name.

Patricia Schumacker  
Legal Assistant

17668-A  
RECORDED NO. \_\_\_\_\_ FILED IN \_\_\_\_\_

JAN 13 1992 - 10 45 AM

INTERSTATE COMMERCE COMMISSION

**SCHEDULE NO. 1**

This Schedule No. 1 to that certain Lease Agreement (the "Agreement") made as of December 30, 1991 between **ITEL RAIL CORPORATION** ("Lessor") and **ATLANTA & SAINT ANDREWS BAY RAILWAY COMPANY** ("Lessee") is made as of December 30, 1991.

Lessor and Lessee agree as follows:

- Capitalized Terms:** 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.
- Cars Leased:** Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule:

AAR Mech Desig	Description	Reporting Marks and Numbers	Length	Inside Width	Height	No. of Cars
XM	70-Ton, Plate B Boxcars	ASAB 7000-7092, 7094-7099, 7400-7463	50'6"	9'6"	10'7"-10'8"	163
XM	70-Ton, Plate C Boxcars	ASAB 7100-7165, 7167-7174, 7176-7230, 7232-7259, 7261-7282, 7284-7339, 7341-7399, 7464-7513	50'6"	9'6"	11'-11'3"	344
XM	100-Ton, Plate E Boxcars	ASAB 8008, 8010, 8014, 8017, 8025, 8026, 8036, 8038, 8050, 8051, 8053, 8055, 8057, 8059-8062, 8065, 8067, 8068, 8070-8076, 8080, 8081, 8084, 8086, 8088, 8092, 8096, 8098, 8099, 8151-8153, 8164, 8187, 8199, 8201	60'10"	9'6"	11'5"	43

- The Cars May be Used to Carry Only the Following Commodities:** Paper, non-corrosive commodities
- Expiration Date:** The Cars are in Lessee's possession pursuant to the Lease Agreement dated May 5, 1978 between Lessor and Lessee. With respect to the Cars, the Agreement replaces and supersedes the May 5, 1978 Lease Agreement effective as of September 1, 1991. The term of the Agreement with respect to the Cars shall expire on August 31, 1999.

5. **Record Keeper:** Lessor
6. **Party Responsible for Maintenance:** Lessor
7. **Average Number of Miles Per Day:**
8. **Rent:**

- a. **"Base Rent"** means the dollar amount for any calendar year (or applicable portion thereof) which equals the Hourly Revenues (as defined in Section 12.A.(iii) of the Agreement) the Cars on this Schedule would have earned in the aggregate during such calendar year (or applicable portion thereof) if such Cars had been on railroad lines other than Eligible Lines for      days during such calendar year (or      of such calendar year), and with each Car earning Hourly Revenues at the Revenue Rates (as defined in Section 12.A.(ii) of the Agreement), subject to Section 11.c., Special Terms, below.
- b. Effective September 1, 1991, Lessee shall pay rent to Lessor for each Car as follows:
- (i) If Hourly Revenues earned from all Cars on this Schedule in any calendar year or applicable portion thereof are equal to or less than the Base Rent, Lessor shall retain a sum equal to      of such Hourly Revenues.
- (ii) If Hourly Revenues earned from all Cars on this Schedule in any calendar year or applicable portion thereof exceed the Base Rent, Lessor shall retain an amount equal to the Base Rent plus      of such Hourly Revenues in excess of the Base Rent and Lessee shall be entitled to 50% of Hourly Revenues received in excess of Base Rent ("Lessee's Revenue Share").

9. **Minimum Rent:**

- a. **"Minimum Rent"** means the dollar amount for any calendar quarter (or applicable portion thereof) ("Quarter") which equals the Revenues the Cars on this Schedule would have earned in the aggregate during such Quarter if such Cars had been on railroad lines other than Eligible Lines for      days during such Quarter (or      of such Quarter), with each Car traveling      miles per day and earning Revenues at the Revenue Rates, subject to Subsection 11.c., Special Terms, below.

b. **If Revenues are Less Than Minimum Rent**

If, with respect to the Cars on this Schedule during any Quarter, Revenues received by Lessor for such Cars are less than the Minimum Rent for such Cars, then Lessor may so notify Lessee. Within 20 days of such notice, Lessee shall either:

- (i) Notify Lessor of intent to pay Lessor the shortfall between the Minimum Rent and the Revenues received by Lessor for such Cars in such Quarter and agree to pay the shortfall, if any, between the Minimum Rent and the Revenues received by Lessor for such Cars in each subsequent Quarter for the duration

of the term. Lessee shall pay Lessor such shortfall not later than 60 days after receiving an invoice.

- (ii) Elect in writing not to pay Lessor such shortfall for such Quarter. In such event, Lessor may terminate the lease with respect to all or any of the Cars on this Schedule upon not less than 30 days written notice to Lessee at any time during the Agreement.

**10. Mandated Modifications to Cars:**

If any physical alteration or modification is required by the AAR, the Canadian Transport Commission or any government or agency exercising authority over any Car, Lessee shall (a) pay for the cost of such alteration or modification or (b) request Lessor to pay for such cost and pay Lessor each month an amount which will, over the estimated useful life of such alteration or modification or remaining useful life of such Car, cover the cost of the alteration or modification, including Lessor's then current cost of money.

**11. Special Terms:**

- a. Effective September 1, 1991, Lessee shall be entitled to and shall receive \$ for each load moved in any Car to any destination beyond the Eligible Lines, provided that Lessee provides Lessor within 30 days of the end of each calendar month with a list showing the reporting marks and number of each Car, the date it was interchanged loaded off the Eligible Lines, its destination and route.
- b. Effective September 1, 1991, Lessee shall likewise be entitled to and shall receive \$ for any railcar owned by Lessor ("Lessor's Railcar(s)") that is loaded by Lessee from Lessor's Dothan, Alabama, shop, provided, however, that Lessee provides Lessor within 30 days of the end of each calendar month with a report showing the reporting marks and number of each such Lessor's Railcar, the date it was interchanged loaded off the Eligible Lines, its destination and route. Lessee shall be entitled to and shall receive per diem relief for each Lessor's Railcar it loads and reports to Lessor according to this Subsection. Lessor, at any time upon 10 days prior written notice to Lessee, may cancel this provision of this Schedule.
- c. Each Quarter Lessor shall adjust the year-to-date calculations of the Base Rent and the Minimum Rent based on the reports Lessor receives for the months in such Quarter from Lessee showing the total number of loaded Lessor's Railcars. The sum of all Lessor's Railcars loaded in such Quarter shall be divided by the total number of Cars on this Schedule (as such number may change pursuant to Subsection 11.d. below), and the quotient shall be multiplied by 100. The resulting percentage shall be added to the quarterly year-to-date calculation of the Base Rent for the Cars on this Schedule; in no event, however, shall the result of any such Base Rent calculation exceed 100%.
- d. At any time during the term of the Agreement and this Schedule, Lessee may return 19 Cars from within the series ASAB 8008-8201 (nonsequential). In such event, the quantity of Cars on this Schedule shall be adjusted accordingly.

e. Subsection 16.F. of the Agreement shall not apply to the Cars on this Schedule.

Each party, pursuant to due corporate authority, has caused this Schedule 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 was the free act and deed of the corporation, that the foregoing is true and correct and that this Schedule was executed on the date indicated below.

**ITEL RAIL CORPORATION, Lessor**

**ATLANTA & SAINT ANDREWS BAY RAILWAY COMPANY, Lessee**

By: Michael A. Smith  
Title: V.P. SALES  
Date: 12/30/91

By: Alan J. Stone  
Title: President  
Date: 12/16/91

**EXHIBIT A TO SCHEDULE NO. 1**

**RUNNING REPAIRS**

**BOXCARS**

Angle Cocks	Wheel Assemblies
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	Air Hose Support
Hand Brakes	Door Hardware (Not Replacement of Door)
Brake Beams and Levers	
Truck Springs	