

# ITEL

March 13, 1992

REGISTRATION NO **i7730** FILED 1425

MAR 16 1992 10 25 AM

**Itel Rail Corporation**

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

REGISTRATION NO **17730** FILED 1425  
MAR 16 1992 10 25 AM  
INTERSTATE COMMERCE COMMISSION

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

2-076A016

INTERSTATE COMMERCE COMMISSION

REGISTRATION NO **17730** FILED 1425

MAR 16 1992 10 25 AM

INTERSTATE COMMERCE COMMISSION

Re: 1) Class II and III Railroad Per Diem Lease (the "Lease")  
2) Schedule Nos. 1, 2 and 3

Dear Mr. Strickland:

On behalf of Itel 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 \$64 recordation fee.

Please record the subject Lease dated December 17, 1991, between Itel Rail Corporation and Apalachicola Northern Railroad Company, under a new recordation number. Please record Schedule Nos. 1, 2 and 3 under the recordation number assigned to the Lease.

The parties to the aforementioned instrument are listed below:

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

Apalachicola Northern Railroad Company (Lessee)  
200 First Street  
Port St. Joe, Florida 32456

The Lease sets forth the terms and conditions by which railroad equipment is leased. Schedule No. 1 adds to the Lease two hundred fifty-two (252) 50', Plate B boxcars bearing reporting marks AN 2001-2268 (n.s.); Schedule No. 2 adds five hundred eighty-five (585) 50', Plate C boxcars bearing reporting marks 5002-5875 (n.s.); Schedule No. 3 adds six (6) 4,780 cubic foot, 100-ton covered hoppers bearing reporting marks An 3702-3728 (n.s.).

Hon. Sidney L. Strickland, Jr., Esq.  
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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

**SCHEDULE NO. 3**

MAR 16 1992 10:45 AM

INTERSTATE COMMERCE COMMISSION

This Schedule No. 3 to that certain Lease Agreement (the "Agreement") made as of December 17, 1991 between **ITEL RAIL CORPORATION** ("Lessor") and **APALACHICOLA NORTHERN RAILROAD COMPANY** ("Lessee") is made as of December 17, 1991.

**RECITALS:**

- A. Lessor and Lessee are parties to the agreement dated September 7, 1988 (the " Agreement Dated September 7, 1988") pursuant to which 6 covered hopper cars bearing the reporting marks AN 3702, AN 3707, AN 3714, AN 3721, AN 3725 and AN 3728 (the "Cars") were leased and delivered to Lessee by Lessor.
- B. The Agreement Dated September 7, 1988 expired September 30, 1991 with respect to the Cars and Lessor and Lessee now desire to place the Cars under the terms of the Agreement and this Schedule No. 3.

**NOW, THEREFORE,** Lessor and Lessee agree as follows:

- 1. **Capitalized Terms:** All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 3 except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule No. 3 unless otherwise indicated.
- 2. **Cars Leased:** Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule No. 3:

AAR Mech Desig	Description	Reporting Marks and Numbers	Cubic Foot Capacity	No. of Cars
L0 C113	100-ton covered hopper	AN 3702, 3707, 3714, 3721, 3725, 3728	4,780	6

- 3. **The Cars May be Used to Carry Only the Following Commodities:** miscellaneous noncorrosive commodities suitable for the car type.
- 4. **"Expiration Date":** Effective upon the date this Schedule No. 3 is fully executed by both parties this Agreement shall supersede and replace the Agreement Dated September 7, 1988 between Lessor, as successor in interest to ITEL Railcar Corporation, and Lessee and shall continue in effect through and including the Expiration Date of September 30, 1994.
- 5. **Record Keeper:** Name: ITEL Rail Corporation  
Address: 550 California Street  
City: San Francisco  
State: California Zip: 94104

- 6. **Party Responsible for Maintenance:** Lessor
- 7. **Average Number of Miles Per Day:** 70
- 8. **Party Responsible for Revenue Bill Movement, if any, to Lessee's Lines Prior to Initial Loading:** Lessor

9. **Rent:**

(a) **"Base Rent"** means the amount for any calendar year (or applicable portion thereof) which equals the the Cars on this Schedule No. 3 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 263 days during such calendar year with each Car traveling miles per day, and with each Car earning of the Agreement).

(b) **Rent**

Lessee shall pay rent to Lessor for each Car calculated as follows:

(i) If earned from all Cars on this Schedule No. 3 in any calendar year or applicable portion thereof are equal to or less than the Base Rent, Lessor shall retain a sum equal to

(ii) If earned from all Cars on this Schedule No. 3 in any calendar year or applicable portion thereof exceed the Base Rent, Lessor shall retain an amount equal to the Base Rent plus in excess of the Base Rent and Lessee shall be entitled to received in excess of Base Rent ("Lessee's Revenue Share").

10. **Minimum Rent:**

(a) **"Minimum Rent"** means the amount for any calendar quarter (or applicable portion thereof) which equals the the Cars on this Schedule No. 3 would have earned in the aggregate during such quarter (or applicable portion thereof) if such Cars had been on railroad lines other than Eligible Lines for days during such quarter, with each Car traveling miles per day and with each Car earning

(b) **If Revenues are Less Than Minimum Rent**

If, with respect to the Cars on this Schedule No. 3 during any calendar quarter, Revenues received by Lessor for such Cars are less than the Minimum Rent for such Cars, then Lessor may so notify Lessee. Within 10 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 calendar 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 calendar

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 No. 3 upon not less than 30 days written notice to Lessee at any time during the Agreement.

Each party, pursuant to due corporate authority, has caused this Schedule No. 3 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 No. 3 was the free act and deed of the corporation, the foregoing is true and correct and that this Schedule No. 3 was executed on the date indicated below.

**ITEL RAIL CORPORATION, Lessor**

**APALACHICOLA NORTHERN RAILROAD COMPANY, Lessee**

By: *Wanda G. Smith*  
Title: *V.P. SALES*  
Date: *12/17/91*

By: *Pat Parnis*  
Title: General Manager  
Date: December 9, 1991

**EXHIBIT B TO SCHEDULE NO 3.**

**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	