

ITEL

RECORDATION NO. 17756 FILED 1425

MAR 27 1992 - 3 52 PM

March 26, 1992

INTERSTATE COMMERCE COMMISSION

Itel Rail Corporation

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

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INTERSTATE COMMERCE COMMISSION

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

2-087A072

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INTERSTATE COMMERCE COMMISSION

**Re: Class II and III Railroad Per Diem Lease
Schedule Nos. 1 and 2**

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 \$48 recordation fee.

Please record the subject Lease, dated as of May 3, 1991, between Itel Rail Corporation, and Terminal Railway Alabama State Docks, under a new recordation number. Please record the subject schedules under the recordation number assigned to the Lease.

The parties to the aforementioned instrument are listed below:

Itel Rail Corporation
550 California Street
San Francisco, California 94104

(Lessor)

Terminal Railway Alabama State Docks
P.O. Box 1588
Mobile, Alabama 36633

(Lessee)

MAR 27 3 46 PM '92
NOTOR OPERATING UNIT

The Lease sets forth the terms and conditions by which rail equipment is leased. Schedule Nos. 1 and 2 add to the Lease a total of six hundred sixty-five (665) 50 foot, 70 ton, Plate C, XM boxcars bearing reporting marks TASD 77001-78700 (n.s.) and TASD 79001-79100.

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

REGISTRATION NO. 17756-A
FILED 1423

MAR 27 1992 -3 50 PM

INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 1

This Schedule No. 1 to that certain Lease Agreement (the "Agreement") made as of May 3, 1991 between ITEL RAIL CORPORATION ("Lessor") and TERMINAL RAILWAY ALABAMA STATE DOCKS ("Lessee") is made as of May 3, 1991.

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. 1 except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule 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:

AAR Mech Desig	Description	Reporting Marks and Numbers	Cubic Capacity	Length	Inside Width	Height	No. of Cars
XM	70-ton, Plate C Nailable Stl. Fl. End of Car Cush. boxcar	TASD 77001-78700 (N.S.) (see exhibit A)	5,154 & 5,347	50' 6"	9' 6"	11' 1"	565

3. Effective on June 1, 1993 this Schedule ^{GT 8/93} shall supersede and replaces the Lease Agreement between the parties dated April 4, 1977.

4. The Cars May be Used to Carry Only the Following Commodities: Paper and Miscellaneous

5. "Expiration Date": May 31, 2003

6. Record Keeper: Name: Itel Rail Corporation
Address: 550 California Street
City: San Francisco
State: California Zip: 94124

7. Party Responsible for Maintenance: Lessor

8. Average Number of Miles Per Day: 79

9. Party Responsible for Revenue Bill Movement, if any, to Lessee's Lines Prior to Initial Loading: Lessor

10. 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 ~~365~~ days during such calendar year with each Car earning Revenues at the Revenue Rates (as defined in Section 12.A.(ii) of the Agreement).

(b) "Cash Utilization" is a fraction, the numerator of which is the aggregate number of days that Revenues were earned on the Cars, less any cash incentives except the Load Fee, during the applicable period and the denominator of which is the aggregate number of days that the Cars were leased to Lessee, during such period.

(b) Rent Prior to Initial Loading

Lessee shall pay rent to Lessor for each Car equal to all Revenues earned by such Car prior to its Initial Loading.

(c) Rent After the Initial Loading

Lessee shall pay rent to Lessor for each Car after its Initial Loading calculated 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 100% 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 ~~25%~~ of such Hourly Revenues in excess of the Base Rent and Lessee shall be entitled to ~~25%~~ of Hourly Revenues received in excess of Base Rent ("Lessee's Revenue Share").

(iii) At the end of each calendar month, Lessor shall report for the consecutive 6 month period ending with such calendar month ("Six Month Period") the "Cash Utilization" currently reported in IRIS. If such Cash Utilization, for the Cars, is greater than or equal to ~~100%~~, Lessor shall pay to Lessee ~~25%~~ for each Car described in this Schedule that is loaded on the Eligible Lines to an off-line destination point ("Load Fee"). Lessor shall pay such Load Fee in accordance with Section 12.F..

(iv) Lessor shall retain 100% of Mileage Revenues earned from the Cars.

11. Minimum Rent:

(a) "Minimum Rent" means the dollar amount for any calendar quarter (or applicable portion thereof) which equals the Revenues the Cars on this Schedule 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 ~~4~~ days during such quarter, with each Car traveling ~~100~~ miles per day and with each Car earning Revenues at the Revenue Rates.

(b) If Revenues are Less Than Minimum Rent

If, with respect to the Cars on this Schedule 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 upon not less than 30 days written notice to Lessee at any time during the Agreement.

12. Lessee shall furnish to Lessor a report within 60 days after the close of each calendar month that lists the total loads for that month; their subsequent reporting marks and number; and the applicable date such Car was released loaded.

Each party, pursuant to due corporate authority, has caused this Schedule to be executed by its authorized officer, and each of the undersigned hereto declares pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is true and correct and was executed on the date indicated below its signature.

ITEL RAIL CORPORATION, Lessor

By: *Michael A. Smith*
Title: VP SALES
Date: 5/3/91

TERMINAL RAILWAY ALABAMA STATE DOCKS,
Lessee

By: *James D. Davis*
Title: Manager - TARD
Date: April 11, 1991

EXHIBIT A
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 Supports
Hand Brakes	
Brake Beams and Levers	
Truck Springs	
Door Hardware (Not Replacement of Door)	

EXHIBIT A

TASD 77001-77004	TASD 77246-77256	TASD 78215	TASD 78499
TASD 77006-77011	TASD 77258	TASD 78217	TASD 78511
TASD 77013-77015	TASD 77260-77274	TASD 78219-78220	TASD 78516
TASD 77020-77023	TASD 77276-77286	TASD 78222-78225	TASD 78524
TASD 77025-77035	TASD 77288-77289	TASD 78227-78228	TASD 78540
TASD 77037-77041	TASD 77292-77291	TASD 78230-78231	TASD 78544
TASD 77043-77044	TASD 77300	TASD 78234-78239	TASD 78551-78552
TASD 77046	TASD 78001	TASD 78241	TASD 78555
TASD 77048-77051	TASD 78003-78011	TASD 78244-78246	TASD 78558-78559
TASD 77053-77057	TASD 78015	TASD 78248	TASD 78561
TASD 77060-77061	TASD 78017-78021	TASD 78250-78251	TASD 78574
TASD 77063	TASD 78024-78026	TASD 78253-78254	TASD 78581
TASD 77065-77066	TASD 78028-78032	TASD 78256-78257	TASD 78586
TASD 77068	TASD 78034-78047	TASD 78259-78263	TASD 78590
TASD 77070-77073	TASD 78050	TASD 78265-78280	TASD 78595
TASD 77075-77076	TASD 78052-78055	TASD 78283-78291	TASD 78599-78600
TASD 77078-77079	TASD 78058-78062	TASD 78293-78295	TASD 78603-78608
TASD 77081	TASD 78067-78068	TASD 78297-78300	TASD 78614-78615
TASD 77083-77090	TASD 78072	TASD 78303-78304	TASD 78617-78620
TASD 77093-77098	TASD 78075-78079	TASD 78309-78310	TASD 78622-78626
TASD 77100-77107	TASD 78081-78082	TASD 78313	TASD 78629-78630
TASD 77109	TASD 78085-78088	TASD 78319-78320	TASD 78632
TASD 77111-77113	TASD 78090-78091	TASD 78322	TASD 78634
TASD 77115	TASD 78093	TASD 78325	TASD 78636
TASD 77119	TASD 78095-78097	TASD 78331	TASD 78638-78639
TASD 77121-77127	TASD 78100-78103	TASD 78334	TASD 78641
TASD 77129-77137	TASD 78106	TASD 78337	TASD 78643
TASD 77139-77157	TASD 78110	TASD 78339-78342	TASD 78649
TASD 77159-77160	TASD 78112-78115	TASD 78348-78349	TASD 78651-78652
TASD 77162-77168	TASD 78117	TASD 78354	TASD 78654-78655
TASD 77170-77172	TASD 78119-78133	TASD 78356	TASD 78660
TASD 77174-77180	TASD 78135	TASD 78360	TASD 78667
TASD 77182-77185	TASD 78137-78143	TASD 78368	TASD 78670-78671
TASD 77187	TASD 78145-78150	TASD 78382	TASD 78673-78677
TASD 77189-77192	TASD 78153-78169	TASD 78398	TASD 78681-78682
TASD 77194-77197	TASD 78171-78175	TASD 78410	TASD 78687-78689
TASD 77199-77208	TASD 78180-78187	TASD 78414	TASD 78695
TASD 77210-77214	TASD 78190	TASD 78423-78425	TASD 78700
TASD 77216-77220	TASD 78192-78194	TASD 78442-78443	
TASD 77222-77224	TASD 78197-78201	TASD 78449	
TASD 77226-77229	TASD 78204	TASD 78452	
TASD 77231	TASD 78206	TASD 78464-78466	
TASD 77233-77234	TASD 78208	TASD 78471	
TASD 77236-77239	TASD 78211	TASD 78473	
TASD 77241-77244	TASD 78213	TASD 78488	