

17791 X  
RECORDATION NO \_\_\_\_\_ FILED 1425

2-1284030

MAY 7 1992 4:05 PM

**ITEL**

INTERSTATE COMMERCE COMMISSION

**Istel Rail Corporation**

May 6, 1992

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

17791  
RECORDATION NO \_\_\_\_\_ FILED 1425

MAY 7 1992 4:00 PM

INTERSTATE COMMERCE COMMISSION

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

**Re: 1) Class II and III Fixed Rate Lease ("Lease") with Schedule No. 1  
2) Schedule No. 2**

Dear Mr. Strickland:

On behalf of Istel 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 \$32 recordation fee.

Please record the Lease dated as of April 8, 1991, between Istel Rail Corporation and Lake Erie, Franklin and Clarion Railroad Company, under a new recordation number. Please record Schedule No. 2 under the new recordation number assigned to the Lease.

The parties to the aforementioned instrument are listed below:

Istel Rail Corporation  
550 California Street  
San Francisco, California 94104

(Lessor)

Lake Erie, Franklin and Clarion Railroad Company  
P.O. Box 689  
Clarion, Pennsylvania 16214

(Lessee)

MAY 7 3 54 PM '92  
MOTOR OPERATING UNIT

The Lease sets forth terms and conditions by which railcars are leased. Schedule 1 adds eighty (80) 3,433 cubic foot hopper cars marked LEF 2500-2579. Schedule No. 2 adds twenty (20) 3,433 cubic foot hopper cars marked LEF 2501-2577 (n.s.).

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

17791

RECORDATION NO. \_\_\_\_\_ FILED 1425

MAY 7 1992 -4 05 PM

INTERSTATE COMMERCE COMMISSION

CERTIFICATION OF TRUE COPY

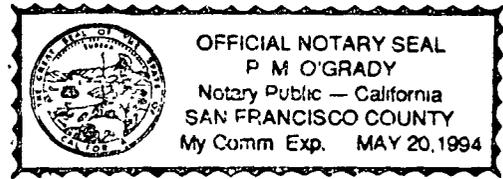
On May 5, 1992, I, Ginny Hanger, examined the original copy of the Lease Agreement dated April 8, 1991, between Itel Rail Corporation ("Lessor") and Lake Erie, Franklin and Clarion Railroad Company ("Lessee") and its Schedule No. 1 dated as of April 8, 1991 and I hereby certify that I have compared the attached duplicate copy with the original, and that is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgements thereof.

*Ginny Hanger*  
GINNY HANGER  
Manager Sales Planning  
Itel Rail Corporation

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

On May 5, 1992, before the undersigned, a Notary Public for the State of California, personally appeared Ginny Hanger, known to me to be the person whose name is subscribed to the above instrument, acknowledged that she executed the same.

*P.M. O'Grady*  
Notary Public



MAY 7 1992 4:05 PM

INTERSTATE COMMERCE COMMISSION

CLASS II AND III FIXED RATE LEASE

THIS LEASE AGREEMENT ("Agreement") is made as of this April 8, 1990, between ITEL RAIL CORPORATION, a Delaware corporation ("Lessor"), and LAKE ERIE, FRANKLIN AND CLARION RAILROAD COMPANY, a Pennsylvania corporation ("Lessee").

1. SCOPE OF AGREEMENT

A. Agreement to Lease: Lessor and Lessee agree to lease the railroad car(s) ("Car(s)s") described in the Schedules. "Schedule" means any schedule signed by both Lessor and Lessee. "Agreement" shall include all Schedules.

B. Schedules Control: The terms of any Schedule shall control, as to Cars on such Schedule, over any inconsistent terms elsewhere in this Agreement.

C. Incorporation of Lease: Lessor and Lessee are parties to the Lease Agreement dated as of August 21, 1989 and Schedule No. 1 dated as of August 21, 1989 ("Lease") in which 80, 3433 cubic feet, triple open top hoppers bearing the reporting marks and numbers LEF 2500-2579 were leased to Lessee by Lessor. The term of the Lease expired at the close of business on July 31, 1990. Lessee desires to lease from Lessor the Cars subject to this Agreement on the same terms and conditions as those in the Lease, except as specifically provided otherwise in this Agreement or any Schedule hereto. The parties therefore incorporate the Lease by reference as if fully set forth herein, with the following changes for the purposes of this Agreement:

(i) "Lease" as used in this document shall mean this Agreement.

(ii) "Cars" as used in this document shall mean the Cars subject to this Agreement.

2. NOTICES

Any notices required or permitted to be given hereunder shall be deemed given when sent by telecopy or telex or made in writing, deposited in United States mail, registered or certified, postage prepaid, addressed to:

Lessor: Itel Rail Corporation  
Attention: Contract Administration  
550 California Street  
San Francisco, California 94104

Lessee: Lake Erie, Franklin and Clarion Railroad  
Company  
Attention: President  
P.O. Box 689  
Clarion, Pennsylvania 16214

or to such other addresses as Lessor or Lessee may from time to time designate.

Each party, pursuant to due corporate authority, has caused this Agreement to be executed by its authorized officer, and each of the undersigned 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

By: *Pat Kelly*  
Title: *Vice President + Treasurer*  
Date: *April 8, 1991*

LAKE ERIE, FRANKLIN AND CLARION RAILROAD COMPANY

By: *W. C. Campbell*  
Title: *President*  
Date: *4/30/91*

RECORDATION NO. 17794 FILED 1992

MAY 7 1992 4:05 AM

LEASE NO. LEFCLL01A

INTERSTATE COMMERCE COMMISSIONSCHEDULE NO. 1

THIS SCHEDULE No. 1 to that certain Lease Agreement (the "Agreement") made as of April 8, 1990, between ITEL RAIL CORPORATION ("Lessor") and LAKE ERIE, FRANKLIN AND CLARION RAILROAD COMPANY ("Lessee") is made as of April 8, 1990!

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	Numbers	Dimensions Inside		Capacity	No. of Cars
			Length	Width		
HT	Triple Open Top, Hoppers	LEF 2500- 2579	45'	9'9"	3433 c.f.	80

- 3. **Term:** The term of the Agreement with respect to each Car described in this Schedule shall be deemed to have commenced on August 1, 1990 and shall continue from calendar month to calendar month for a period not to exceed 12 calendar months. Either party may, upon 30 days prior written notice to the other, cancel the Agreement with respect to the Cars described in this Schedule.
- 4. **Counterparts:** This Schedule may be executed 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 Schedule to be executed by its authorized officer, and each of the undersigned 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

LAKE ERIE, FRANKLIN AND CLARION RAILROAD COMPANY

By: Robert Keenan

By: W. C. [Signature]

Title: Vice President + Treasurer

Title: President

Date: April 8, 1991

Date: 1/30/91

RECORDATION NO. 17791 X FILED 1425

2-128A030

**ITEL**

MAY 7 1992 4:45 PM

May 6, 1992

**Itel Rail Corporation**

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

RECORDATION NO. 17791 FILED 1425

MAY 7 1992 4:45 PM

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

**Re: 1) Class II and III Fixed Rate Lease ("Lease") with Schedule No. 1  
2) Schedule No. 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 \$32 recordation fee.

Please record the Lease dated as of April 8, 1991, between Itel Rail Corporation and Lake Erie, Franklin and Clarion Railroad Company, under a new recordation number. Please record Schedule No. 2 under the new 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)

Lake Erie, Franklin and Clarion Railroad Company  
P.O. Box 689  
Clarion, Pennsylvania 16214

(Lessee)

MAY 7 1992 3:51 PM

The Lease sets forth terms and conditions by which railcars are leased. Schedule 1 adds eighty (80) 3,433 cubic foot hopper cars marked LEF 2500-2579. Schedule No. 2 adds twenty (20) 3,433 cubic foot hopper cars marked LEF 2501-2577 (n.s.).

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

REGISTRATION NO. 17791/A  
 FILED 1425

MAY 7 1992 - 4 05 PM

INTERSTATE COMMERCE COMMISSION

LEASE NO. LEFCLL02A

SCHEDULE NO. 2

THIS SCHEDULE No. 2 to that certain Class II and III Fixed Rate Lease (the "Agreement") made as of April 8, 1991 between ITEL RAIL CORPORATION ("Lessor") and LAKE ERIE, FRANKLIN AND CLARION RAILROAD COMPANY ("Lessee") is made as of April 9, 1991.

R E C I T A L S:

- A. Lessor and Lessee are parties to the Schedule No. 1 dated April 8, 1991 ("Schedule No. 1") to the Agreement, identified by Lease No. LEFCLL01A, pursuant to which the 20 railcars described in Section 3 below ("20 Cars") are leased by Lessor to Lessee.
- B. The parties desire to terminate Schedule No. 1 with respect to the 20 Cars and enter into a new agreement as provided herein.

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. 2, except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated.
- 2. Supersedes and Replaces: Effective upon the full execution of the Termination Agreement dated April 9, 1991 between Lessor and Lessee and this Schedule, this Schedule supersedes and replaces Schedule No. 1 with respect to the Cars described in this Schedule.
- 3. 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	Numbers	Dimensions Inside		Capacity	No. of Cars
			Length	Width		
HT	Triple Open Top Hoppers	LEF 2501, 2504, 2505, 2507, 2508, 2512, 2514, 2519, 2526, 2527, 2533, 2537, 2538, 2545, 2550, 2553, 2555, 2562, 2674, 2577	45'	9'9"	3433 c.f.	20

4. **Term:** The term of the Agreement with respect to each Car described in this Schedule shall be deemed to have commenced on January 1, 1991 and shall continue through and including December 31, 1992 ("Expiration Date").
5. **Record Keeper:**
  - A. Lessor shall perform the registration and Lessee shall perform the record keeping required for the Cars described in this Schedule, as described in Section 4 of the Agreement.
  - B. Lessee shall submit a monthly invoice in AAR format for running repairs performed on any Car by Lessee or by another railroad which has billed and received payment therefor from Lessee. Lessee shall, within 30 days of notification that Lessor has paid a bill for maintenance or repair for which Lessee is responsible, reimburse Lessor for such payment.
6. **Party Responsible for Maintenance:** Lessor shall perform or cause to be performed and shall pay all costs and expenses associated with the maintenance of the Cars described in this Schedule, except those delegated to Lessee in Section 5 of the Agreement. With respect to the Cars listed in this Schedule, Exhibit A attached hereto is hereby added to the Agreement. Subsection 5.A. of the Agreement shall not apply with respect to such Cars.
7. **Rent:**
  - A. Effective January 1, 1991 ("Rent Commencement Date"), Lessee shall pay Lessor a \_\_\_\_\_ per month for each Car from the Rent Commencement Date through and including the Expiration Date, subject to Subsection 11.C. of the Agreement.
  - B. Lessee shall pay rent for each Car in advance on the first day of each month during the term. Lessor shall refund to Lessee a pro rated amount of rent if any Car is returned to Lessor on a day other than the first day of the month.
  - C. Rent on any Car which is out of service for maintenance for which Lessor is responsible shall abate from the fifth day after such Car has been placed in any repair shop for maintenance work until such Car or a replacement railcar is ready for or returned to service.
8. **Taxes:** Lessor shall reimburse Lessee for all federal, state and local property taxes assessed against or levied upon the Cars and paid by Lessee. Lessor may contest such taxes in appropriate proceedings and Lessee will cooperate with Lessor in such contest. Lessor shall not be liable for penalties or interest payable. Lessee shall forward to Lessor upon receipt copies of all correspondence, notifications of proposed assessments and tax bills with respect to such property taxes. Upon Lessor's reasonable request Lessee shall provide Lessor with a draft of Lessee's property tax return before it is filed. Lessee shall be liable

for all other taxes or governmental impositions with respect to the Cars.

- 9. **Indemnities:** Lessee agrees to defend, indemnify and hold harmless Lessor from any and all claims, losses, damages, liabilities, costs, and expenses (including attorneys' fees) with respect to, caused by, or arising out of the Cars which are occasioned by the fault of Lessee, occur while the Cars are in Lessee's possession, custody or control, or would be the Lessee's responsibility as the "handling carrier" under the Interchange Rules and Car Hire Rules if the Cars were not bearing Lessee's reporting marks. The indemnities contained in this Agreement shall survive the expiration or termination of this Agreement.
- 10. **Return of Cars:** Upon the expiration or other termination of the Agreement with respect to the Car(s) described in this Schedule, Lessee shall return each Car to Lessor at the interchange point on Lessee's lines designated by Lessor (the "Return Location") or, if applicable, in accordance with Section 11.B.(iii) of the Agreement. Lessee shall bear any transportation costs incurred in moving any Car to the Return Location. If the Return Location is on Lessee's tracks, Lessee shall use best efforts to load such Car with freight and deliver it to a connecting carrier for shipment. Lessee shall, at Lessor's option, provide up to 30 days free storage on its lines for any Car which is either on Lessee's lines at expiration or other termination or is subsequently returned to Lessee's lines.
- 11. **Counterparts:** This Schedule may be executed 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 Schedule to be executed by its authorized officer, and each of the undersigned 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

LAKE ERIE, FRANKLIN AND CLARION RAILROAD COMPANY

By: *Robert Kiehl*  
 Title: Vice President Finance  
 Date: May 5, 1992

By: *W. Campbell*  
 Title: President  
 Date: January 2, 1991

EXHIBIT A

Running Repairs: Open Top Hoppers

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	Outlet Gates Repair (Not Gate Replacement)
Hand Brakes	
Brake Beams and Levers	
Truck Springs	