

4

2-141A060

ITEL

May 19, 1992

Istel 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 NO 17793-C FILED MAY 20 1992 -2 05 PM
RECORDED NO 17793-B FILED MAY 20 1992 -2 05 PM

MAY 20 2 08 PM '92
MOTOR OPERATING UNIT

Re: **Schedule Nos. 1 and 2**

INTERSTATE COMMERCE COMMISSION
MAY 20 1992 -2 05 PM
INTERSTATE COMMERCE COMMISSION

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 subject Schedules under the Lease Agreement dated as of April 8, 1992, between Istel Rail Corporation and Lackawanna Railway, Inc., which was filed with the ICC on May 7, 1992, under Recordation No. 17793.

The parties to the aforementioned instrument are listed below:

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

Lackawanna Railway, Inc. (Lessee)
701 Wyoming Street
Scranton, Pennsylvania 18509

Schedule No. 1 adds to the Lease Agreement five (5) 52 foot, 100 ton GB gondolas bearing reporting marks LRWY 50000-50004. Schedule No. 2 adds to the Lease Agreement twenty (20) 50 foot, 70 ton, Plate B XM boxcars bearing reporting marks LRWY 20000-20019.

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

Interstate Commerce Commission
Washington, D.C. 20423

5/21/92

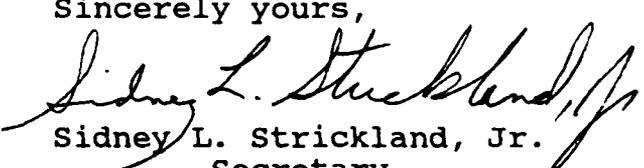
OFFICE OF THE SECRETARY

Patricia Schumacker
Legal Assistant
Itel Rail Corporation
550 California Street
San Francisco, California 94104

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/20/92 at 2:05pm, and assigned recordation number(s). 17793-B & 17793-C, 15642-VV, 15642-WW 14937-A 16026-F

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17793-B
REGISTRATION NO. FILE NO.

MAY 20 1992 2:02 PM

INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 1

This Schedule No. 1 to that certain Lease Agreement (the "Agreement") made as of April 8, 1992 between **ITEL RAIL CORPORATION** ("Lessor") and **LACKAWANNA RAILWAY, INC.** ("Lessee") is made as of April 28, 1992.

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
GB	100-ton gondolas	LRWY 50000-50004	52'8"	9'6"	N/A	5

3. **The Cars May be Used to Carry Only the Following Commodities:**

Steel Scrap (STCC 40-211-00)

- "Expiration Date":** The date which is 3 years from the earlier of (i) the date on which the last Car described on this Schedule is marked with Lessee's reporting marks or (ii) 120 days from the date on which the first of the Cars described in this Schedule is physically interchanged onto Lessee's lines. The Expiration Date shall be documented on the Certificate of Delivery Date.

- Record Keeper:** Name: Itel Rail Corporation
Address: 550 California Street
City: San Francisco
State: California Zip: 94104

- Party Responsible for Maintenance:** Lessor

- Average Number of Miles Per Day:**

- Party Responsible for Revenue Bill Movement, if any, to Lessee's Lines Prior to Initial Loading:** Itel Rail

9. **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, and with each Car earning Hourly Revenues at the Revenue Rates (as defined in Section 12.A.(ii) of the Agreement).

(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)

(ii)

(iii)

10. **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 _____ days during such quarter, with each Car traveling _____ 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 Agreement 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.

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, the foregoing is true and correct and that this Schedule was executed on the date indicated below.

ITEL RAIL CORPORATION, Lessor

By: Robert Kiehl
Title: Vice President Finance
Date: 5-11-92

LACKAWANNA RAILWAY, INC., Lessee

By: Steve May
Title: President
Date: 5-1-92

EXHIBIT A TO SCHEDULE NO. 1

RUNNING REPAIRS

GONDOLAS

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	
Hand Brakes	
Brake Beams and Levers	
Truck Springs	