

ITEL

RECORDATION NO. 16198 FILED 1/17/91

JAN 17 1991 -2 40 PM

INTERSTATE COMMERCE COMMISSION

IteI Rail Corporation

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

January 15, 1991

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

RECORDATION NO. 16198 FILED 1/17/91

JAN 17 1991 -2 40 PM

INTERSTATE COMMERCE COMMISSION

1-017A019

Re: 1) Schedule No. 8
2) Schedule No. 9

Dear Mr. Strickland:

On behalf of IteI 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 \$30 recordation fee.

Please record both Schedules under the Lease Agreement dated January 16, 1989, between IteI Rail Corporation and Columbus and Greenville Railway Company, which was filed with the ICC on February 8, 1989 under Recordation No. 16198.

The parties to the aforementioned instrument are listed below:

IteI Rail Corporation (Lessor)
550 California Street
San Francisco, California 94133

Columbus and Greenville Railway Company (Lessee)
201 19th Street North (P.O. Box 6000)
Columbus, Mississippi 39703

Schedule No. 8 adds to the Lease Agreement twenty (20) 2,244 cubic foot, 100-ton, Plate B gondolas bearing reporting marks CAGY 1801-1820. Schedule No. 9 adds to the Lease Agreement fifty (50) 50'6", 70-ton, Plate C boxcars bearing reporting marks CAGY 950-999.

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

RECORDATION UNIT

JAN 17 2 33 PM '91

Interstate Commerce Commission
Washington, D.C. 20423

1/18/91

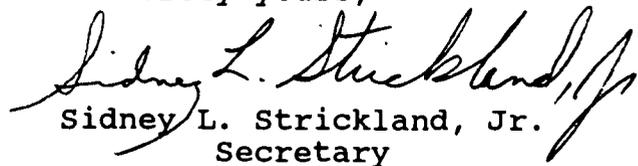
OFFICE OF THE SECRETARY

Patricia Schumacker
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 1/17/91 at 2:40pm, and assigned recordation number(s). 16198-F & 16198-G 17204 & 17204-A

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

REGISTRATION NO. 16198-4 FILED JAN

JAN 17 1991 - 2 49 PM

INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 8

THIS SCHEDULE No. 8 ("Schedule") to that certain Lease Agreement, (the "Agreement") made as of January 16, 1989, between ITEL RAIL CORPORATION, as successor in interest to Itel Rail Corporation and Itel Railcar Corporation, ("Lessor"), and COLUMBUS AND GREENVILLE RAILWAY COMPANY ("Lessee") is made this 27 day of December, 1990.

RECITALS :

- A. Lessor and Lessee are parties to Schedule 5 dated June 3, 1986 to the Lease dated May 20, 1985 (the "1985 Lease") wherein Lessor, as assignee of Evans Railcar Leasing Company, leased to Lessee the twenty (20) gondolas described in Section 2 below (the "Car(s)").
- B. The term of the 1985 Lease with respect to the Cars expired as of September 17, 1990 and the parties now desire that Lessee lease the Cars under the terms and conditions of the Agreement and this Schedule.

NOW THEREFORE, Lessor and Lessee agree as follows:

- 1. All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 8, except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated.
- 2. 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		No. of Cars
			Length	Width	
GB	2244 c.f., 100-ton, Plate B Gondolas	CAGY 1801-1820	52'6"	9'6"	20

- 3. The parties agree that the Cars will be subject to the terms and conditions of the 1985 Lease until this Agreement is executed by Lessor and Lessee. The term of the Agreement with respect to each Car described in this Schedule shall commence on the date this Schedule is fully executed by the parties ("Effective Date") and shall continue as to all of the Cars ~~described in this Schedule for three (3) years from the Effective Date through and including _____, 19____~~ ("Term").
- 4. A. Lessor shall perform the registration and record keeping required for the Cars described in this Schedule, as described in Section 4 of the Agreement except for car hire reconciliation, collection and

described in this Schedule for one (1) year from the Effective Date through and including December 31, 1991 ("Term"). Lessee shall have the right, at its option, to extend the Term for two successive one (1) year terms by giving Lessor at least fifteen (15) days notice of its election to exercise such options.

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receipt which shall be performed by Lessee and remitted to Lessor in accordance with Subsection 7.E. hereinbelow.

- B. Lessee shall submit to Lessor a monthly report in complete AAR format for all sums due to Lessee from Lessor for such calendar month with respect to the maintenance of the Cars, including sums due for maintenance performed by third parties and for maintenance performed by Lessee. Lessor shall pay to Lessee all sums due pursuant to this Subsection within thirty (30) days after receipt of such monthly maintenance report and bill.
5. 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 Subsection 5.B. 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.
6. Lessor agrees to reimburse Lessee, within thirty (30) days of Lessor's receipt of the receipted copy of the paid tax bill, for all taxes actually paid in cash by Lessee resulting from: 1) ad valorem tax assessments on the Cars; and 2) any assessment, levy or impost relating to any Car, the Agreement, or the delivery of the Cars, which remained unpaid as of the date of the delivery of the Cars to Lessee or which is assessed, levied or imposed during the term of the Agreement, except taxes on income or gross receipts imposed on Lessee or sales or use tax imposed on mileage charges, car hire revenue, or the proceeds of the sale or lease of the Cars. Lessor and Lessee will comply with all state and local laws requiring filing of ad valorem returns associated with the Cars. Notwithstanding any portion of this Section, Lessor shall not be responsible for penalty or interest assessments resulting from Lessee's failure to comply with any regulation or statute of any taxing or assessing authority. Lessee shall forward to Lessor upon receipt all correspondence, notifications of proposed tax assessments and tax bills associated with any tax reimbursable by Lessor. Lessor may, in good faith and by appropriate proceedings, contest any assessment, notification of assessment or tax bill. Lessor shall assume full responsibility for all expenses, including legal fees, resulting from such contest.

7. Rent

A. Definitions

- (i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the date this Schedule is executed by the parties. Unless Lessor and Lessee agree otherwise, any lines purchased by Lessee or added to the Eligible Lines or any Eligible Lines sold by Lessee to another party during the Term, effective on the date of such sale, are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining

Revenues (as defined in Subsection 7.A.(iii) hereinbelow).

(ii) "Revenue Rates" is defined as the specified for each Car in the Hourly and Mileage Car Hire Rate Table published in the October 1990 edition of The Official Railway Equipment Register, as may be updated from time to time.

(iii) "Revenues" is defined as the total revenues, calculated at the Revenue Rates, that are earned or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to, , whether or not collected and received by Lessor, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.

(iv) The "Guaranteed Base Rent" is defined as per car per calendar month ("Month"). The Guaranteed Base Rent for any car that is not subject to the Agreement for an entire Month shall be prorated at per day for such Car during such Month.

B. Lessee agrees to pay rent to Lessor for the Cars calculated as follows:

(i) In the event Revenues earned in any Month or applicable portion thereof are less than the Guaranteed Base Rent, Lessor shall retain a sum equal to one hundred percent (100%) of the total Revenues and Lessee shall pay to Lessor the difference ("Difference") between the total Guaranteed Base Rent due and the actual revenues for said Month or applicable portion thereof. The Difference shall be due and payable regardless of any claimed abatement, reduction or offset.

(ii) In the event Revenues earned in any Month or applicable portion thereof exceed the Guaranteed Base Rent, Lessor shall retain an amount equal to the Guaranteed Base Rent and Lessee shall receive one hundred percent (100%) of all Revenues received in excess of the Guaranteed Base Rent.

C. (i) In the event that as a result of any action or inaction by Lessee, Lessor shall receive or earn for the use of any Cars, Revenues calculated at hourly or mileage car hire rates that are lower in amount than those specified in Subsection 7.A. (ii), Lessee shall pay to Lessor, within ten (10) days of Lessor's request, an amount equal to the difference between the Revenues such Cars would have earned at the Revenue Rates and the amount of revenues actually

received or earned for such Cars.

- (ii) Should any abatement, reduction or offset occur as a result of any action or inaction of Lessee, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor the amount of such abatement, reduction or offset.
 - (iii) If, at any time during the Agreement, Lessee operates lines other than the Eligible Lines, Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Lessee.
- D. Any agreement between Lessee and any other party with respect to the Cars ("Third Party Agreement(s)") shall be null and void without Lessor's prior written approval if such Third Party Agreement affects the revenues earned by the Cars.
- E. Lessee shall pay to Lessor by the sixtieth (60th) day after the end of each Service Month (as hereinafter defined), one hundred percent (100%) of the Guaranteed Base Rent for that Service Month. For the purposes hereof, "Service Month" shall be defined as the calendar month in which Revenues were actually earned. At the time payment of one hundred percent (100%) of the Guaranteed Base Rent is made to Lessor, Lessee shall report to Lessor for the same month the hours earned and miles traveled.
8. A. Lessee agrees to defend, indemnify and hold Lessor harmless from any and all claims, losses, damages, liabilities, costs, and expenses (including attorney's 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 or control, or would be the "handling carrier's" responsibility under the Interchange Rules, as if the Cars were not bearing Lessee's reporting marks.
- B. Except as provided in Subsection 8.A. above, and except for those claims, losses, damages, liabilities and expenses for which Lessee shall be responsible as set forth in this Agreement, Lessor shall indemnify and hold Lessee harmless from any and all loss, damage or destruction of or to the Cars, ordinary wear and tear excepted.
- C. The indemnities and assumptions of liability contained in this Agreement shall survive the expiration or termination of the Agreement.
9. Upon the expiration or termination of the Agreement with respect to the Car(s) described in this Schedule, if some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to said tracks subsequent to the time of expiration of this Agreement as to the Cars. Lessee shall, at Lessor's option, provide up to

days free storage on its railroad tracks for any Car which is either on Lessee's railroad tracks at expiration or is subsequently returned to Lessee's railroad tracks. Said days shall run either from expiration or from the date such Car is returned to Lessee's railroad line subsequent to expiration, whichever date is later. If requested to do so by Lessor, Lessee shall, at Lessor's option, either move a remarked Car to an interchange point on Lessee's lines selected by Lessor or use its best efforts to load the remarked Car with freight and deliver it to a connecting carrier for shipment.

10. Except as expressly modified by this or any other Schedule, all terms and provisions of the Agreement shall remain in full force and effect with respect to all Cars subject to the Agreement.
11. This Schedule may be executed by the parties hereto 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 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

COLUMBUS AND GREENVILLE RAILWAY COMPANY

By: Mike Smith
Title: VP SALES
Date: 12/27/90

By: Roger D. Bell
Title: President
Date: Dec. 18, 1990

EXHIBIT A

Running Repairs: Gondolas

Angle Cocks	Wheel Assemblies
Air Hose	Yoke
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	