

ITEL

February 11, 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

RECORDATION NO 16285-A FILED 1425

FEB 12 1992 - 3 - 4 PM

INTERSTATE COMMERCE COMMISSION

Re: **Schedule No. 2**

Dear Mr. Strickland:

On behalf of Istel Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$16 recordation fee.

Please record this Schedule under the Master Lease Agreement dated March 31, 1989, between Istel Rail Corporation, as successor to Istel Rail Corporation and Istel Railcar Corporation, and Wisconsin & Calumet Railroad Company, which was filed with the ICC on April 12, 1989, under Recordation No. 16285.

The parties to the aforementioned instrument are listed below:

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

Wisconsin & Calumet Railroad Company (Lessee)
203 South Pearl Street
Janesville, Wisconsin 53545

This Schedule adds to the Master Lease Agreement fifty-five (55) 52 foot, 100-ton, GBS gondolas bearing reporting marks WICT 41062-41205, non-sequential.

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 16285-7A
FILED 1438

FEB 12 1992 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 2

This Schedule No. 2 to that certain Lease Agreement (the "Agreement") made as of March 31, 1989 between ITEL RAIL CORPORATION ("Lessor"), as successor in interest to Itel Rail Corporation and Itel Railcar Corporation, and WISCONSIN & CALUMET RAILROAD COMPANY, INC. ("Lessee") is made as of September 20, 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. 2 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	Length	Inside Width	Height	No. of Cars
GBS	100-ton gondolas	WICT 41052-41205 (n.s., as listed on the certificate described in Sec. 4 below)	52'6"	9'6"	4'6"	55

3. **Effective Date:** The term of the Agreement with respect to each Car on this Schedule, shall commence on the date such Car is remarked with Lessee's reporting marks.
4. **Expiration Date:** The date which is 36 months from the first day of the month in which falls the date (a) that the last Car described in this Schedule is remarked or (b) that is 120 days from the date the first of the Cars described in this Schedule is delivered to Lessee, whichever is earlier. After the final Car is delivered, Lessor shall provide Lessee a certificate (the "Certificate") setting forth the Reporting Marks and Numbers, the Effective Date for each Car and the Expiration Date. Each date on the Certificate shall be deemed accurate, final and binding unless Lessee disputes such date in writing within 14 calendar days of receipt by Lessee of such Certificate.
5. **Record Keeper:** Lessor. Lessee hereby authorizes Lessor on behalf of Lessee to subscribe to Lessee's Train 62, 65, 67, 71, 80 and other Car Location Movement Records ("CLM's") from the AAR and agrees to execute any documents necessary to implement such authorization. If Lessee is the Record Keeper, Lessee shall within 10 days after the close of each calendar month supply Lessor with copies of Lessee's CLM's with respect to the Cars. Lessee shall transmit or cause to be transmitted to the AAR Lessee's car hire payable records in a format acceptable to the AAR so that such records will be included in the monthly AAR Car Hire Exchange Tape. Upon Lessor's reasonable request, Lessee shall promptly provide Lessor with records of Lessee's car hire payables.
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 as set forth in Section 5 of the Agreement (as modified by Exhibit A hereto). Subsection 5.A. of the Agreement shall not apply with respect to such Cars.

7. **Party Responsible for 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.

8. **Average Number of Miles Per Day:** 75

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

10. **Rent:**

A. **Definitions:**

- (i) **"Eligible Lines"** means, with respect to the Cars on this Schedule, the railroad lines owned and operated by Lessee as of the date this Schedule is executed by the parties. If Lessee's lines expand through purchase, Lessee's merger with another railroad or otherwise or if Lessee's lines are sold to and become lines of another railroad, then lines other than the Eligible Lines shall be deemed to be lines of a foreign road for purposes of determining Revenues and for purposes of Section 10.D., and CLM's required in Section 5 shall continue to be provided to Lessor as if Lessee's lines were still only the Eligible Lines. If Lessee sells or otherwise disposes of a part but not all of the railroad lines owned and operated by Lessee as of the date this Schedule is executed by the parties, "Eligible Lines" shall mean only that part retained by Lessee.
- (ii) **"Revenue Rates"** means the hourly and mileage car hire rates prescribed by the ICC in any applicable time period for each Car.
- (iii) **"Revenues"** means the total revenues, calculated at the Revenue Rates, that are earned or due in any applicable time period for the use or handling of the Cars on any Schedule on all railroad lines other than the Eligible Lines, including, but not limited to, hours ("Hourly Revenues") and mileage ("Mileage Revenues"), whether or not collected and received by the Record Keeper, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.
- (iv) **"Initial Loading"** of a Car shall be the date such Car is loaded off Lessee's railroad line with the first load of freight.

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: Lessor shall be entitled to and shall retain _____ of all Hourly and Mileage Revenues earned by such Car. Lessee shall receive _____ of all such Hourly and Mileage Revenues ("Lessee's Revenue Share"); provided that Lessor shall retain all Hourly and Mileage Revenues earned from all Cars on this Schedule after Initial Loading until the total amount of what otherwise would be Lessee's Revenue Share shall have become equal to Lessor's expenses, if any, for delivering such Cars to Lessee.

D. Minimum Rent:

(i) **"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.

(ii) **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:

(a) 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.

(b) 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.

E. Revenue Shortfalls: If as a result of any action or inaction by Lessee (including but not limited to any abatement, reduction or offset claimed by a using or handling carrier), Lessor shall receive with respect to any calendar year amounts for the use or handling of the Cars on any railroad line other than the Eligible Lines which are less than the Revenues earned during such calendar year or are less than the Cars would have earned at the Revenue Rates, Lessee shall pay to Lessor within 10 days of Lessor's request an amount equal to the difference between the amount actually received and the Revenues such Cars would have earned at the Revenue Rates.

F. Final Calculations: The calculations required in this Schedule shall be made within 5 months of the end of each calendar year ("Final Calculations"). Lessor shall, prior to making such Final Calculations, retain the Revenues and other payments received by it on behalf of Lessee. Lessor shall within 3 months after the end of each calendar quarter calculate on a quarterly year-to-date basis the approximate amounts due both parties pursuant to this Section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, provided that within 20 days following the Final Calculations, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.

11. **Lessee Operation of Other Lines:** If 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.

12. **Third Party Agreements Affecting Revenues:** Without Lessor's prior written approval, Lessee shall not enter into any agreement with any party that affects the Revenues earned by any Cars.

13. **Failure to Give Priority Loading:** If any Car has remained on the Eligible Lines because Lessee has failed to give priority to the Car as specified in Subsection 3.B. of the Agreement, Lessee shall be liable for and remit to Lessor an amount equal to the Revenues which would have been generated if such Car had been in the possession and use of a foreign road for the entire period during which such Car is on the Eligible Lines as a result of such failure with each Car traveling the Average Number of Miles Per Day.

14. **If Car Hire Rates Not Prescribed:**

- A. If the ICC ceases to prescribe car hire rates or significantly alters in a way adverse to Lessor the manner in which car hire rates are prescribed or the rates themselves, the parties shall in good faith negotiate to amend this Schedule so that the amounts Lessor receives in rent after such ICC action are approximately the same as Lessor would have received had no such ICC action occurred. If such good faith negotiations are unsuccessful, Lessor may terminate the Agreement with respect to any or all of the Cars on this Schedule upon not less than 30 days written notice to Lessee at any time during the Agreement.
- B. Lessor shall determine car hire rates offered to users of deprecised Cars and shall, at Lessor's expense, prepare and present the owner's case in any arbitration or other proceeding held to resolve disputed car hire rates.

15. A. **Return of Cars:** Upon the expiration or other termination of the Agreement with respect to any Car on this Schedule, Lessee shall return such Car to Lessor in accordance with Section 11 of the Agreement. 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.

B. **Storage:** Lessee shall, at Lessor's option, provide up to 120 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.

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

ITEL RAIL CORPORATION, Lessor

WISCONSIN & CALUMET RAILROAD COMPANY, INC.,
Lessee

By: 
Title: V.P. SALES
Date: 2/3/92

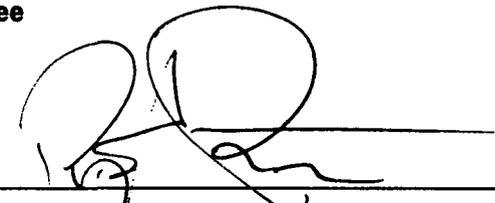
By: 
Title: President
Date: 1-28-92

EXHIBIT A TO SCHEDULE NO. 2

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	