

# ITEL

RECORDATION NO. 16460-C FILED ICCS

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INTERSTATE COMMERCE COMMISSION

**Itel Rail Corporation**

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

August 3, 1990

0-225A063

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

**Re: Schedule No. 4 to Master Lease dated as of July 14, 1989,  
between Itel Rail Corporation and SouthRail Corporation**

Dear Mr. Strickland:

On behalf of Itel 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 \$15 recordation fee.

Please record this Schedule under the Master Lease dated as of July 14, 1989, between Itel Rail Corporation and SouthRail Corporation, which was filed with the ICC on August 2, 1989, under Recordation No. 16460.

The parties to the aforementioned instrument are listed below:

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

SouthRail Corporation (Lessee)  
605 Second Avenue  
Columbus, Mississippi 39701

This Schedule adds to the Master Lease fifty (50) 50', 3148 cubic foot, 100-ton twin covered hopper cars bearing reporting marks SR 20101-20150 (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

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INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 4

THIS SCHEDULE NO. 4 ("Schedule") to that certain Master Lease Agreement made as of July 14, 1989 (the "Agreement") between ITEL RAIL CORPORATION as lessor ("Lessor") and SOUTHRAIL CORPORATION as lessee ("Lessee") is made this 9th day of July, 1990 between Lessor and Lessee.

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. 4, 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:

<u>Quantity</u>	<u>Description</u>	<u>Capacity, Each</u>	<u>Fixed Rental, Each</u>
50	Covered Twin Hopper Cars, SR 20101-20150	3148 c.f. 100 tons	\$475.00 per month

- 3. The term of the Agreement with respect to each Car described in this Schedule shall commence ("Delivery") on the date such Car is remarked to bear reporting marks within the series SR 20101-21050 and shall continue as to all of the Cars described on this Schedule through July 31, 1995. Upon the remark of all Cars described on this Schedule, Lessor shall provide to Lessee a Certificate in the form of Exhibit A.
- 4. Lessee agrees to pay the rent set forth in the Agreement, notwithstanding the fact that Lessee may not have immediate physical possession of the Cars leased hereunder.
- 5.
  - A. 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 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.
- 6. 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 B attached hereto is hereby added to the Agreement or substituted for Exhibit B thereto. Subsection 5.A. of the Agreement shall not apply with respect to such Cars.

7. 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.

8. Rent

- A. The fixed rent ("Fixed Rent") shall be \_\_\_\_\_ . The Fixed Rent for any Car which is not subject to the Agreement for an entire Month shall be prorated at \_\_\_\_\_ per day for such Car during such Month.
- B. Lessee shall pay to Lessor the Fixed Rent on the first day of each Month during the term.
- C. If any Car becomes unfit for any reason unrelated to interior lading protection devises, special interior linings or removable parts and if such condition is not due to damage to such Car for which Lessee is responsible under this Agreement:
- (i) If such Car is moved, at Lessor's request, to a non-railroad shop for repair, rent shall abate on the date such Car is switched into the property of such repair shop and shall be reinstated effective as of the 4th day following the date on which Lessee is notified that such Car has been repaired and is ready for redelivery to Lessee. If such car is delivered to a railroad shop for repairs and is not released for shipment to Lessee within 5 days after such delivery, rental shall abate as of the 6th day after the date on which the Car is switched into the property of such railroad shop and shall be reinstated as of the date on which such Car is released from shop.
  - (ii) If any Car is derailed and not rerailed within 5 days following such derailment, rent shall abate on the date of such derailment and shall be reinstated on the date of rerailed, unless such Car requires repairs, in which case Subsection

- 8.C.(i) shall determine the date of reinstatement.
9. 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 9.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.
10. 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 one hundred twenty (120) 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 one hundred twenty (120) 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.
11. 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.
12. 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 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: *Robert Kiehl*  
Title: *Vice President + Treasurer*  
Date: *7-30-90*

**SOUTHRAIL CORPORATION**

By: *H. J. Sahn*  
Title: *V. P. and C.T.O.*  
Date: *7/23/90*

EXHIBIT A

CERTIFICATE OF REMARK

REPORTING MARK AND NUMBER

DATE REMARKED

SR 20101  
SR 20102  
SR 20103  
SR 20104  
SR 20105  
SR 20106  
SR 20107  
SR 20108  
SR 20109  
SR 20110

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SR 20138  
SR 20139  
SR 20140

REPORTING MARK AND NUMBER

DATE REMARKED

SR 20141  
SR 20142  
SR 20143  
SR 20144  
SR 20145  
SR 20146  
SR 20147  
SR 20148  
SR 20149  
SR 20150

EXHIBIT B

**RUNNING REPAIRS**

COVERED 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 Gate Repair (Not Gate Replacement)
Hand Brakes	Hatch Cover Repair (Not Replacement of Hatch Cover)
Brake Beams and Levers	
Truck Springs	