

0-159A012



Itel Rail Corporation

55 Francisco Street
San Francisco, CA 94133
(415) 984-4000
(415) 781-1035 Fax

RECORDATION NO 15642-2 FILED 1425

June 6, 1990

MAY 8 1990 -11:00 AM

INTERSTATE COMMERCE COMMISSION

Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Schedule No. 17 to Master Lease No. 2197-00 dated May 5, 1988, between Itel Rail Corporation and Hartford and Slocomb Railroad Company

Dear Ms. McGee:

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 Amendment under Master Lease No. 2197-00 dated May 5, 1988, between Itel Rail Corporation, as successor in interest to both Itel Rail Corporation and Itel Railcar Corporation, and Hartford and Slocomb Railroad Company, which was filed with the ICC on May 13, 1988, under Recordation No. 15642.

The parties to the aforementioned instrument are listed below:

Itel Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

Hartford and Slocomb Railroad Company (Lessee)
P.O. Box 2243
Dothan, Alabama 36302

This Schedule covers ninety-four (94) 5055 cubic foot, 70-ton, Plate C, RBL boxcars bearing reporting marks HS 11002-151491.

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,

A handwritten signature in cursive script that reads "patricia schumacker".

Patricia Schumacker
Legal Assistant

MAY 8 1990 - 11:00 AM

SCHEDULE NO. 17

INTERSTATE COMMERCE COMMISSION

THIS SCHEDULE NO. 17 ("Schedule") to that certain Lease Agreement (the "Agreement") made as of May 5, 1988, as amended, between ITEL RAIL CORPORATION ("Lessor"), and HARTFORD AND SLOCOMB RAILROAD COMPANY ("Lessee"), is made this 20th day of April, 1990.

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. 17, 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	<u>Dimensions Inside</u>			Door Width	No. of Cars
			Length	Width	Height		
RBL	5055 c.f.,	HS 11002 -	52'5"	9'4"	10'4"	Dual 8'	94
XLI	70-Ton, Plate C, Insulated Boxcars	11038 N.S. HS 151200 - 151268 N.S. HS 151480 - 151491				Plugs	

3. A. The term of this Agreement, with respect to the Cars, shall commence on the day the Agreement is fully executed by both parties ("Commencement Date") and shall expire as to all of the Cars one (1) year from the Commencement Date ("Initial Term"). Within sixty (60) days from the Commencement Date, Lessor shall issue to Lessee a fully executed Certificate of Delivery in the form of Exhibit A hereto that shall contain the expiration date of the Agreement with respect to all the Cars as determined by Lessor. Unless, within fifteen (15) days of the date of such Certificate of Delivery, Lessee demonstrates to the reasonable satisfaction of Lessor that such expiration date is incorrect, Lessee shall be deemed to have concurred with such expiration date.
- B. If the Agreement has not been terminated early and no unremedied default has occurred and is continuing under the Agreement, the Agreement shall automatically be extended from calendar month to calendar month, for a period not to exceed twenty-four (24) calendar months (each such calendar month an "Extended Term"). Provided that the Cars are not subject to the assignment agreement dated April 3, 1990 ("CIM Assignment Agreement") between Lessee as assignor ("Assignor") and Chicago and Illinois Midland Railway Company as assignee ("Assignee"), a copy of which is attached hereto as Exhibit C, Lessor may terminate the Agreement at anytime during the Initial Term or any Extended Term as to some or all of the Cars

described in this Schedule by providing not less than ten (10) days' prior written notice to Lessee.

4.
 - A. The parties acknowledge that the Cars are already in the possession of Assignee.
 - B. Lessor agrees to pay to Lessee a rental fee ("Rental Fee") of _____ per year for the use of Lessee's reporting marks and numbers on the Cars assigned to the CIM Assignment Agreement. Lessor shall pay the initial Rental Fee to Lessee within sixty (60) days from May 1, 1990, and shall thereafter pay the Rental Fee to Lessee annually within sixty (60) days following May 1st of each year throughout the duration of the term of the CIM Assignment Agreement.
 - C. If any Car(s) returns to Lessee's lines prior to the expiration or termination of the CIM Assignment Agreement, Lessor shall be responsible for all costs associated with such Car(s) being entered into and removed from a storage facility ("Storage") by Lessee, including but not limited to a switching fee of _____ each per car per occurrence, and a storage charge of _____ per car per day, and for all costs associated with returning such Car(s) to Assignee's lines. Lessee shall notify Lessor upon the placement of any Car(s) into Storage. Lessee shall use its best efforts to prevent any Car from being interchanged onto its lines during the term of the CIM Assignment Agreement, including advising Lessee's connecting carrier that the Cars have been placed into an assignment pool on Assignee's lines and that the connecting carrier should not return such Cars to Lessee during the term of the CIM Assignment Agreement.
5. Lessor consents to Lessee's entering into the CIM Assignment Agreement provided that Lessor shall perform Lessee's duties under the CIM Assignment Agreement, that the Lessee shall, only upon Lessor's instructions or consent, exercise its option to terminate, extend, renegotiate or request free storage under the CIM Assignment Agreement, and that Lessee shall, if directed by Lessor, assign Lessee's interest in the CIM Assignment Agreement to any party designated by Lessor.
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 as set forth in Subsection 5.B. of the Agreement. With respect to the Cars listed in this Schedule, Exhibit B attached hereto is hereby added to the Agreement. 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. 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. Any lines purchased by Lessee or added to the Eligible Lines or any Eligible Lines sold by Lessee to another party during the Initial Term or any Extended 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 8.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 1989 edition of The Official Railway Equipment Register, as may be updated from time to time.

(iii) "Revenues" is defined as the , 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.

B. Lessor shall receive one hundred percent (100%) of all Revenues earned by each Car prior to and during the term of the CIM Assignment Agreement.

C. Upon the expiration or early termination of the CIM Assignment Agreement, Lessor shall receive all Revenues earned by each Car while such Car is off the Eligible Lines.

D. (1) 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 8.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.

E. Except as provided in this Schedule, 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.

9. 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.

10. 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.

ITEL RAIL CORPORATION

HARTFORD AND SLOCOMB RAILROAD COMPANY

By: Robert Kiehn
Title: Vice President & Treasurer
Date: 4/20/90

By: G. J. Jackson
Title: President
Date: 4-3-90

**EXHIBIT A
CERTIFICATE OF DELIVERY DATE**

Exhibit A to Schedule No. 17 dated as of _____ by and between ITEL RAIL CORPORATION ("Lessor") and HARTFORD AND SLOCOMB RAILROAD COMPANY ("Lessee"), to Lease Agreement dated as of May 5, 1988.

HS Reporting Marks and Number

Date Delivered

ITEL RAIL CORPORATION
Authorized Representative

By: _____

Title: _____

Date: _____

EXHIBIT B

Running Repairs: RBL Boxcars

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 Gears
Brake Shoe Keys	Couple Carriers
Brake Connecting Pin	Center Plate Repair (Not Replacement of Center Plate)
Brake Head Wear Plates	Cotter Keys
Air Brakes	Roller Bearing Adapters
Hand Brakes	Air Hose Supports
Brake Beams and Levers	Load Divider Repairs (Not Replacement)
Truck Springs	
Door Hardware (Not Replacement of Door)	

AGREEMENT FOR ASSIGNED SERVICE

THIS AGREEMENT FOR ASSIGNED SERVICE ("Assignment Agreement") is made and entered into as of this *3rd* day of *April*, 1990, between HARTFORD AND SLOCOMB RAILROAD COMPANY ("Assignor") and CHICAGO AND ILLINOIS MIDLAND RAILWAY COMPANY ("Assignee").

Assignor and Assignee agree as follows:

1. Assignor shall supply Assignee with the following equipment (the "Cars") subject to the terms and conditions of this Assignment Agreement:

AAR Mech. Desig.	Description	Numbers	Dimensions Inside			Door Widths	No. of Cars
			Length	Width	Height		
RBL XLI	5055 c.f., 70-Ton, Plate C, Insulated Boxcars	HS 11002 - 11038 N.S., HS 151200 - 151268 N.S., HS 151480 - 151491	52' 5"	9' 4"	10' 4"	Dual 8' Plug	94

2. Upon Assignor's instruction, and not without Assignor's instruction, Assignee shall place the Cars into an assignment pool on Assignee's railroad lines as provided for in Car Service Rule 16 and under the provisions of Car Service Directive 150 of the Code of Car Service Rules, AAR Circular No. OT-10.
3. The term of this Assignment Agreement, with respect to the Cars, shall commence on the day the Assignment Agreement is fully executed by both parties ("Commencement Date") and shall expire as to all of the Cars one (1) year from the Commencement Date ("Term"); provided however that at Assignee's request, upon thirty (30) days prior written notice to Assignor, Assignee may elect to extend the agreement for thirty (30) day periods, with the last such period commencing on January 1, 1993 and ending on January 31, 1993. Within sixty (60) days from the Commencement Date, Assignor shall issue to Assignee a fully executed Certificate of Delivery in the form of Exhibit A hereto that shall contain the expiration date of the Assignment Agreement with respect to all the Cars as determined by Assignor. Unless, within fifteen (15) days of the date of such Certificate of Delivery, Assignee demonstrates to the reasonable satisfaction of Assignor that such expiration date is incorrect, Assignee shall be deemed to have concurred with such expiration date.
4. Assignee shall comply with the handling carrier's obligations under AAR Interchange Rules while the Cars are in Assignee's possession.

5. If any Car returns to Assignor's line as a result of Assignee not filing the assignment pool code properly, Assignee shall be responsible for all costs associated with returning such Car to Assignee. Assignor shall use its best efforts to prevent any Car from being interchanged onto its lines during the term of the Assignment Agreement, including advising Assignor's connecting carrier that the Cars have been placed into an assignment pool on Assignee's lines and that the connecting carrier should not return such Cars to Assignor during the term of the Assignment Agreement.
6. When used in this Assignment Agreement, each of the following terms shall have the definitions indicated:
- A. "Eligible Lines" is defined as the railroad lines owned and operated by Assignee as of the date this Assignment Agreement is executed by the parties. Unless otherwise agreed by and provided for by Assignor and Assignee, any lines purchased by Assignee, or added to the Eligible Lines or any Eligible Lines sold by Assignee to another party, effective on the date of such sale, during the term of the Assignment Agreement are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined hereinbelow). If, at any time during the term of the Assignment Agreement, Assignee operates lines other than the Eligible Lines, then Assignee shall supply Assignor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on the other railroad lines operated by Assignee.
- B. "Revenue Rates" is defined as specified for each Car in the Hourly and Mileage Car Hire Rate Table published in the October 1989 edition of The Official Railway Equipment Register as may be updated from time to time.
- C. "Per Diem Revenues" is defined as _____ of the Cars on all railroad lines and the Eligible Lines, including, but not limited to _____, computed at the Revenue Rates whether or not collected and received by Assignor and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Assignee.
- D. "Mileage Revenues" is defined as _____ the Cars on all railroad lines and the Eligible Lines, including, but not limited to _____ computed at the Revenue Rates, whether or not collected and received by Assignor and undiminished by any claimed abatement, reduction or offset caused by any action or failure by Assignee.
- E. "Revenues" is defined as the sum of Per Diem Revenues, and Mileage Revenues.

EXHIBIT C

7.
 - A. Assignee shall be entitled to Per Diem Revenues reclaim ("Reclaim") for each Car while such Car is on the Eligible Lines not to exceed a yearly total accumulated aggregate of
per Car per calendar month.
 - B. Within forty-five (45) days after the end of each calendar month, Assignee shall submit to Assignor a monthly reclaim statement ("Reclaim Statement") with respect to any Reclaim allowed during such month under the Assignment Agreement. Such Reclaim Statement shall include for each Car the applicable reporting marks, Per Diem Revenue rate, and the time period such Car qualifies for Reclaim.
 - C. Reclaim with respect to this Assignment Agreement shall be handled in accordance with the Association of American Railroads Car Hire Rule 13, Section D.
8. Assignor shall receive and retain one hundred percent (100%) of all Revenues, except the disbursement of Reclaim payments to Assignee.
9. Upon any abatement, reduction or offset, as set forth in Subsections 6.C. and D. hereinabove, Assignee shall, within ten (10) days of Assignor's request, reimburse Assignor for such amount.
10. During the Term or any extension thereof, Assignor may, at its expense, replace any or all Cars with cars of the same type, and in a condition similar to the Car(s) originally assigned under this Assignment Agreement, as described in Section 1 hereinabove, upon not less than ten (10) days' prior written notice to Assignee.
11. Assignor is responsible for normal maintenance and repair expenses except as provided below, which shall be at Assignee's sole expense. Assignee shall be responsible for and shall pay all costs and expenses of all repair work or other work or materials required because of (a) damage or other conditions caused by Assignee's negligence or misuse in loading or unloading, or by use other than as permitted under this Assignment Agreement; (b) damage for which Assignee is responsible under applicable AAR Rules; (c) Assignee's failure to note any damage to any Car that returns to its lines, the repair of which is the responsibility under AAR Rules of any third party railroad. Assignee shall promptly notify Assignor of any damage to, defect in, need of repair to, or destruction of any Car. For any damaged Car that requires repairs other than running repairs, as provided in Exhibit B hereto, car hire (time and mileage) shall be governed by applicable Car Hire and Car Service Rules. In no event shall Assignee place any Car for repair at a private contract repair facility, or allow repair by a private contractor on the property of Assignee without Assignor's prior approval. Any such repair must be performed under the direction and control of Assignor.

12. Upon expiration or termination of this Assignment Agreement with respect to any Car(s), Assignee shall surrender possession of such Car(s) to Assignor as follows:
- A. Assignee shall insure that each Car returned to Assignor upon the expiration or termination of the Assignment Agreement shall be (i) in the same condition, order and repair as when delivered to Assignee, normal wear excepted, (ii) in interchange condition in accordance with AAR and FRA rules and regulations, (iii) suitable for loading of the commodities, such as flour and similar grain products, allowed under the Assignment Agreement, (iv) free from all accumulations or deposits from commodities transported in or on it while in the service of Assignee, and (v) free of any and all Rule 95 damage. Assignee shall remove the Cars from the provisions of Car Service Rule 16 and Car Service Directive 150, and deliver the Cars to a point on the Eligible Lines to be designated by Assignor. At Assignor's option and expense Assignee shall remark the Cars to bear new reporting marks to be provided by Assignor, and use its best efforts to provide final outbound loads for each Car.
 - B. In the event that any Car(s) is not required for immediate possession by Assignor, Assignee shall be responsible for providing to Assignor up to storage ("Storage") on its Eligible Lines, at its expense, or for all costs associated with Storage of such Car(s) at another location. Any Storage location provided by Assignee which is off Assignee's Eligible Lines, shall be as secure as if the Cars were stored on Assignee's Eligible Lines. If Assignor pays any Storage-related costs, Assignee shall reimburse Assignor for such costs within fifteen (15) days after receiving an invoice from Assignor for such costs.
13. Assignee's rights shall be subject and subordinate to the rights of Assignor, of any lessor under any lease for the Cars, and of any owner or secured party under any financing agreement with respect to the Cars. Accordingly, following notice to Assignee from any such lessor, secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Assignment Agreement), and is continuing under such financing agreement, such party may require either or both that rentals and other sums due hereunder shall be paid directly to such party, and/or that the Cars may be terminated and immediately be returned to such party.
14. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, or when transmitted and received by telex addressed as follows:

If to Assignor:

If to Assignee:

Hartford and Slocomb Railroad Company
55 Francisco Street
San Francisco, CA 94133
Attn.: Don Chute, Director,
Car Hire Accounting

Mr. Michael Vetter
Traffic Manager
Chicago & Illinois Midland Railway Co.
1500 North Grand Avenue
P.O. Box 139
Springfield, Illinois 62705

- 15. This Assignment Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that Assignee may not without the prior written consent of Assignor, assign this Assignment Agreement or any of its rights or obligations hereunder or sublease any Cars to any party or assign any Cars to any party not located on the lines of Assignee. Any purported assignment or sublease in violation hereof shall be void.
- 16. This Assignment Agreement may not be modified, altered, or amended, except by an agreement in writing signed by the parties.
- 17. This Assignment Agreement may be executed in two counterparts and such counterparts together shall constitute one and the same contract.

HARTFORD AND SLOCOMB RAILROAD COMPANY

CHICAGO AND ILLINOIS MIDLAND RAILWAY COMPANY

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

CERTIFICATE OF DELIVERY DATE

Exhibit A to the Agreement For Assigned Service dated as of _____
by and between HARTFORD AND SLOCOMB RAILROAD COMPANY ("Assignor") and CHICAGO
AND ILLINOIS MIDLAND RAILWAY COMPANY ("Assignee").

CAR REPORTING
MARKS AND NUMBER

DELIVERY DATE

The last day of the Term for the above referenced Cars shall be

_____.

HARTFORD AND SLOCOMB RAILROAD COMPANY
Authorized Representative

By: _____

Title: _____

Date: _____

EXHIBIT BRunning Repairs: RBL Boxcars

Angle Cocks	Wheels Assemblies
Air Hose	Yokes
Train Line	Knuckles/Pins
Operating Levers and Brackets	Slack Adjuster
Sill Steps	Couplers
Grab Irons	Draft Gears
Brake Shoes	Coupler Gears
Brake Shoe Keys	Coupler Carriers
Brake Connecting Pin	Center Plate Repair (Not Replacement of Center Plate)
Brake Head Wear Plates	Cotter Keys
Air Brakes	Roller Bearing Adapters
Hand Brakes	Air Hose Supports
Brake Beams and Levers	Load Divider Repairs (Not Replacement
Truck Springs	
Door Hardware (Not Replacement of Door)	

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

On this _____ day of _____, 1990, before me personally appeared _____, to me personally known, who being by me duly sworn says that such person is _____ of the Hartford and Slocomb Railroad Company, that the foregoing Agreement For Assigned Service was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

STATE OF _____)
) ss:
COUNTY OF _____)

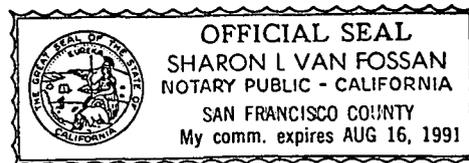
On this _____ day of _____, 1990, before me personally appeared _____, to me personally known, who being by me duly sworn says that such person is _____ of Chicago and Illinois Midland Railway Company, that the foregoing Agreement For Assigned Service was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

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

On this 20th day of April, 1990, before me personally appeared ROBERT KIEHNLE, to me personally known, who being by me duly sworn says that such person is Vice President + Treasurer of Itel Rail Corporation, that the foregoing Schedule No. 17 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF Alabama)
) ss:
COUNTY OF Houston)

On this 3 day of April, 1990, before me personally appeared C.F. Fischer III, to me personally known, who being by me duly sworn says that such person is President of Hartford and Slocomb Railroad Company that the foregoing Schedule No. 17 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joan Thompson
Notary Public