1-170A013

ITEL

June 18, 1991

Itel 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. 15642 FILED 1425

JUN 19 1991 -2 15 PM

INTERSTATE COMMERCE COMMISSION

Re: Schedule No. 28

Dear Mr. Strickland:

On behalf of Itel 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 $15 recordation fee.

Please record this Schedule under the Lease Agreement dated May 5, 1988, between Itel Rail Corporation and Hartford and Slocomb Railroad Company, which was recorded with the ICC on May 13, 1988, under Recordation No. 15642.

The parties to the aforementioned instrument are listed below:

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

Hartford and Slocomb Railroad Company (Lessee)
2506 South Park
Dothan, Alabama 36301

Schedule No. 28 adds to the Lease Agreement fifty (50) 50'6", 100-ton, Plate C covered hopper cars bearing reporting marks HS 1783-1832.

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

RECORDATION NO. 15642-d-l

JUN 19 1991 -2 15 PM

INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 28

THIS SCHEDULE NO. 28 ("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 19 day of March, 1991.

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. 28, 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 Length	Inside Width	Height	Doors Width	No. of Cars
LO	100-Ton, Plate C Covered Hoppers	HS 1783-1832	50′6″	10′7″	N/A	N/A	50

3. A. The term of this Agreement, with respect to each Car described in this Schedule shall commence on the date such Car is remarked ("Delivery") and shall continue as to all of the Cars described in this Schedule for 2 years from the earlier of (i) the date on which the last Car described in this Schedule was remarked or (ii) 120 days from the date the first Car described in this Schedule was delivered to the lines of the AT&L Railroad Company (the "Initial Term"). Upon the delivery of the final Car, Lessor shall provide Lessee a Certificate of Delivery that shall contain the expiration date of the Agreement with respect to all the Cars described in this Schedule. Unless, within 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 24 calendar months (each such calendar month an "Extended Term"). Provided that the Cars are not subject to the assignment agreement dated March 15, 1991 ("AT&L Assignment Agreement") between Lessee as assignor ("Assignor") and the AT&L Railroad Company as assignee ("Assignee"), a copy of which is attached hereto as Exhibit A, Lessor may terminate the Agreement at any time 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 10 days prior written notice to Lessee.

4. A. Lessor agrees to pay to Lessee a rental fee of per year ("Rental Fee") for the use of Lessee's reporting marks and numbers on the Cars assigned to the AT&L Assignment Agreement. Lessor shall pay the initial Rental Fee to Lessee 120 days from the first day of the month following the month in which the Initial Term commences, and shall thereafter pay the Rental Fee to Lessee annually throughout the duration of the term of the AT&L Assignment Agreement.

B. If any Car(s) returns to Lessee's lines prior to the expiration or termination of the AT&L 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 AT&L 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 AT&L Assignment Agreement.

5. Lessor consents to Lessee's entering into the AT&L Assignment Agreement provided that Lessor shall perform Lessee's duties under the AT&L 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 AT&L Assignment Agreement, and that Lessee shall, if directed by Lessor, assign Lessee's interest in the AT&L 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 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: (a) ad valorem tax assessments on the Cars; and (b) 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. <u>Rent</u>

A. <u>Definitions</u>

(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 January 1991 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.

B. Lessor shall receive of all Revenues earned by each Car prior to and during the term of the AT&L Assignment Agreement.

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

D. (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 8.A.(ii) Lessee shall pay to Lessor, within 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 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.

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	HARTFORD AND SLOCOMB RAILROAD COMPANY
By: Ginny Manger	By: C. F. Fuller II
Title: Manager Contract Admin	Title: Pres.
Date: 3/19/91	Date: 3/15/91

EXHIBIT A

RAILCAR ASSIGNMENT AGREEMENT

THIS RAILCAR ASSIGNMENT AGREEMENT ("Assignment Agreement") is made and entered into as of this_____ day of _____ 1991 between HARTFORD AND SLOCOMB RAILROAD COMPANY ("Assignor") and AT&L RAILROAD COMPANY ("Assignee").

Assignor and Assignee agree as follows:

1. Assignor shall provide Assignee with 50, 4750 cubic-foot covered hoppers bearing reporting marks HS 1783-1832 (the "Cars").

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 435 of the Code of Car Service Rules, AAR Circular No. OT-10.

3. a. The term of this Assignment Agreement ("Term"), with respect to each Car, shall commence on the date it is first interchanged to Assignee's railroad lines ("Delivery") and shall expire as to all the Cars 24 months from the earlier of (a) the date on which the last Car was Delivered or (b) 60 days from the date the first Car was Delivered. Upon the Delivery of the final Car, Assignor shall provide Assignee with a Certificate of Delivery that shall contain the date each Car was Delivered and the expiration date for all the Cars. Each date on such certificate shall be deemed accurate, final and binding unless Assignee disputes such date in writing within 14 calendar days of its receipt of the certificate.

   b. Assignee shall be responsible for all inbound transportation costs associated with the delivery of the Cars to Assignee's railroad lines.

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, 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.

6. Definitions:

   a. **"Eligible Lines"** means the railroad lines owned and operated by

Assignee as of the date both parties execute this Assignment Agreement. If Assignee's lines expand through purchase, Assignee's merger with another railroad or otherwise or if Assignee's lines are sold to and become lines of another railroad, then lines other than the Eligible Lines shall be deemed to be those of a foreign road for purposes of determining Revenues. If Assignee sells or otherwise disposes of a part but not all of the railroad lines it owns and operates as of the date the parties execute this Assignment Agreement, "Eligible Lines" shall mean only that part retained by Assignee.

b. **"Revenue Rates"** means the
prescribed by the ICC in any applicable period for each Car.

c. **"Revenues"** means the total revenues, calculated at the Revenue Rates, that are earned or due in any applicable period for the use or 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 Assignor, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Assignee.

d. **"Initial Loading"** of a Car shall be the date such Car is loaded off Assignee's railroad line with the first load of freight.

e. **"Maintenance"** means all repairs, maintenance, replacement of parts and mandated modifications needed to keep any Car in good working order and repair, suitable for loading and interchange and in accordance with the Interchange Rules, the Federal Railroad Administration ("FRA") rules and the rules of any other applicable regulatory body.

f. **"Interchange Rules"** means collectively the Field Manual of the AAR Interchange Rules and the Office Manual of the AAR Interchange Rules.

7. Assignee shall be entitled to full for each Car while such Car is on the Eligible Lines and shall furnish interchange records to Assignor as requested.

8. a. Assignor shall be entitled to and shall retain all Revenues earned by each Car prior to its Initial Loading.

b. For each Car after its Initial Loading, Assignee shall receive 10% and Assignor shall retain 90% of all Revenues in any Quarter.

c. The calculations required in this Assignment Agreement shall be made within 5 months of the end of each calendar year ("Final Calculations"). Assignor shall, before making such Final

Calculations, retain the Revenues and other payments received by it on behalf of Assignee. Assignor 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. 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.

d. Assignor shall use its best efforts to provide Assignee within two weeks of the end of a calendar month with a preliminary report on the utilization of the Cars in such month. Such utilization report shall be subject to the Final Calculations described in the preceding paragraph.

9. a. If, during any Quarter, Assignor determines that the Revenues received by Assignor for the Cars are less than the amount another party is willing to pay Assignor at such time for such covered hoppers, then Assignor may terminate the Assignment Agreement with respect to all or any of the Cars upon not less than 60 days written notice to Assignee at any time during this Assignment Agreement.

b. In the event of a major decline in the utilization of the Cars and only after Assignee has exhausted its options under Subsections 10.c. and 10.d. below, Assignee may terminate the Assignment Agreement with respect to all or any of the Cars upon not less than 60 days prior written notice to Assignor.

10. a. If Assignee operates lines other than the Eligible Lines, Assignee shall supply Assignor with records that distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Assignee.

b. Except as specified in the succeeding paragraphs, without Assignor's prior written approval, Assignee shall not enter into any agreement with any party that affects the Revenues earned by any Cars.

c. In the event Assignee anticipates a decline in the utilization of the Cars at any time during the Term, Assignee may enter into an agreement with a third party other than the Union Pacific Railroad with respect to the Cars provided that Assignor is given 60 days prior written notice, that under such third party agreement the Cars shall be subject to the same terms as the Assignment Agreement, and provided further that Assignee shall remain responsible for the payment of rent set forth in the Assignment Agreement and for the performance of all the other terms of the Assignment Agreement to be performed by Assignee.

d. Assignee may enter into an agreement with the Union Pacific Railroad with respect to the Cars at any time during the Term provided under such agreement with the Union Pacific Railroad the Cars shall be subject to the same terms as the Assignment Agreement and that Assignee shall remain responsible for the payment of rent set forth in the Assignment Agreement and for the performance of all the other terms of the Assignment Agreement to be performed by Assignee.

e. Assignor may retain any amounts owed to or collected on behalf of Assignee to offset any sums owed to Assignor by Assignee.

11. During the Term, Assignor may, at its expense, replace any or all Cars with similar cars upon not less than ten (10) days prior written notice to Assignee.

12. a. Assignor shall at its expense perform in a timely manner all Maintenance. Such Maintenance, however, shall be at Assignee's expense if it was occasioned by (i) damage (which shall not include ordinary wear) while in Assignee's or Assignee's shipper's possession or control, (ii) damage occurring from use other than permitted under this Assignment Agreement, or (iii) damage for which Assignee would be responsible under the Interchange Rules had the Car been a foreign car (including damage not noted at time of interchange to Assignee). Assignee shall promptly notify Assignor of any Maintenance required, providing the time, place and nature of any accident or bad order condition.

b. To facilitate continued immediate use of any Car, Assignee may make running repairs (using Assignee's own employees, but not any private repair facility or any private contractor on Assignee's property without the consent of Assignor) to those parts of any Car specified in the attached Exhibit A, but Assignee shall not perform or cause to be performed any other Maintenance on any Car without Assignor's prior written consent. Assignee shall submit a monthly invoice in AAR format for running repairs performed on any Car by Assignee or by another railroad that has billed and received payment therefor from Assignee.

c. Any Car that is destroyed or requires repair will be removed from the rental calculations of this Assignment Agreement on the date car hire ceases as set forth in Rules 7 and 8 of the AAR's Code of Car Hire. Assignor shall be entitled to all casualty proceeds from the Car.

d. Assignor may at its expense replace any destroyed Car with similar equipment when requested by Assignee.

13. a. Upon the expiration or other termination of this Assignment Agreement with respect to any Car, Assignee shall remove the Cars

from the provisions of Car Service Rule 16 and Car Service Directive 435. At its expense Assignee shall return such Car to Assignor at the interchange point on Assignee's lines designated by Assignor (the "Return Location"). Assignee shall use best efforts to load such Car with freight and deliver it to a connecting carrier for shipment.

b. Each such Car shall be returned to Assignor (i) free of Rule 95 damage; and (ii) free from all accumulations or deposits from commodities transported in or on it while in the service of Assignee, except for accumulations or deposits that result from any final outbound load.

c. Assignee shall, at Assignor's option, provide up to storage on its lines for any Car that is either on Assignee's lines at expiration or other termination or is subsequently returned to Assignee's lines.

d. If Assignor requests in writing the return of any Car and Assignee fails to use best efforts to return such Car, Assignee upon written notice from Assignor shall pay rent monthly equal to the full car hire earned on such Car at the Revenue Rates both on the Eligible Lines and off the Eligible Lines. Assignee shall in addition keep all obligations required of Assignee under this Assignment Agreement as though such expiration or other termination had not occurred. Nothing in this Section shall give Assignee the right to retain possession of any Car after expiration or other termination of this Assignment Agreement with respect to such Car.

14. Assignee's rights shall be subject and subordinate to the rights and remedies of any lender, owner or other party which finances the Cars. Financing agreements between such parties and Assignor determine whether Cars may be used in Canada or Mexico. Consequently, no use greater than temporary or incidental may be made of the Cars in Canada and no use may be made in Mexico without Assignor's prior written consent, which may be given if financing agreements so permit.

15. Any notices required or permitted to be given hereunder shall be deemed given when sent by telecopy or telex or made in writing, deposited in United States mail, registered or certified, postage prepaid, addressed to:

Assignor:	Assignee:
Hartford & Slocomb R.R. Co. Attn: Director, Car Hire Accounting 550 California Street San Franciso, CA 94104	AT&L Railroad Company Attn: General Manager P. O. Box 29 Watonga, OK 73772

or to such other addresses as Assignor and Assignee may from time to time designate.

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 three counterparts and such counterparts together shall constitute one and the same contract.

HARTFORD AND SLOCOMB RAILROAD COMPANY	AT&L RAILROAD COMPANY
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A

EXHIBIT A

RUNNING REPAIRS

COVERED HOPPERS

Angle Cocks

Air Hose

Train Line

Operating Levers and Brackets

Sill Steps

Grab Irons

Brake Shoes

Brake Shoe Keys

Brake Connecting Pin

Brake Head Wear Plates

Air Brakes

Hand Brakes

Brake Beams and Levers

Truck Springs

Wheel Assemblies (Not Replacement of Wheels)

Yokes

Slack Adjuster

Couplers

Draft Gears

Coupler Carriers

Center Plate Repair (Not Replacement of Center Plate)

Cotter Keys

Roller Bearing Adapters

Outlet Gate Repair (Not Gate Replacement)

Hatch Cover Repair (Not Replacement of Hatch Cover)

EXHIBIT B

Running Repairs: Covered Hoppers

Angle Cocks

Air Hose

Train Line

Operating Levers and Brackets

Sill Steps

Grab Irons

Brake Shoes

Brake Shoe Keys

Brake Connecting Pin

Brake Head Wear Plates

Air Brakes

Hand Brakes

Brake Beams and Levers

Truck Springs

Wheel Assemblies (not Wheels)

Yokes

Knuckles/Pins

Slack Adjuster

Couplers

Draft Gears

Coupler Carriers

Center Plate Repair (Not Replacement of Center Plate)

Cotter Keys

Roller Bearing Adapters

Outlet Gate Repair (Not Gate Replacement)

Hatch Cover Repair (Not Replacement of Hatch Cover)