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November 8, 2011

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 F Street, S.W.
Washington, D. C. 20423

231255

RE: Finance Docket No. 35564, *North Carolina & Virginia Railroad Company, LLC,
Chesapeake & Albemarle Railroad Division—Lease Amendment—Norfolk Southern
Railway Company*

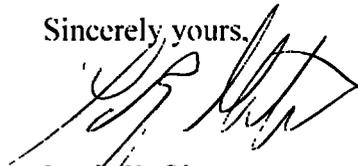
Dear Ms. Brown:

Enclosed for filing are the original and 10 copies of a Notice of Exemption by North Carolina & Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad Division ("NCVR"). Also enclosed are a check from NCVR for the filing fee of \$1,400, and a computer diskette containing the Notice in Word and pdf format. The color Exhibit is attached to the end of the Notice in Exhibit E.

Please time and date stamp the additional copy of this letter and the Notice and return them with our messenger. Thank you for your assistance.

If you have any questions please call or email me.

Sincerely yours,



Louis E. Gitomer
Attorney for North Carolina & Virginia
Railroad Company, LLC, Chesapeake &
Albemarle Railroad Division

Enclosures

FILED
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SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
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SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35564

NORTH CAROLINA & VIRGINIA RAILROAD COMPANY, LLC, CHESAPEAKE &
ALBEMARLE RAILROAD DIVISION—LEASE AMENDMENT—
NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(4)

Scott G. Williams Esq.
Senior Vice President & General Counsel
RailAmerica, Inc.
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256
(904) 538-6329

Louis E. Gitomer, Esq.
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(202) 466-6532
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Attorneys for: NORTH CAROLINA &
VIRGINIA RAILROAD COMPANY, LLC.
CHESAPEAKE & ALBEMARLE
RAILROAD DIVISION

Dated: November 8, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35564

NORTH CAROLINA & VIRGINIA RAILROAD COMPANY, LLC, CHESAPEAKE &
ALBEMARLE RAILROAD DIVISION—LEASE AMENDMENT—
NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION

North Carolina & Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad Division (“NCVR”), pursuant to 49 C.F.R. §§ 1180.2(d)(4) and 1180.4(g), files this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. §11323 with the Surface Transportation Board (the “Board”). This Verified Notice of Exemption is being filed to permit NCVR to amend the Lease and Option to Purchase Agreement dated as of February 28, 1990, as amended (the “Original Lease”) with Norfolk Southern Railway Company (“NSR”) covering 66 miles of railroad. NCVR is a Class III rail carrier and NSR is a Class I rail carrier. The only carrier that NCVR physically connects to is NSR.

a. **1180.6(a)(1)(i)**. A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

NCVR and NSR will enter Amendment No. 4 to Lease and Option to Purchase Agreement (the “Amendment”), whereby NCVR and NSR will agree to extend the terms of the Original Lease and to strike and render null and void all provisions relating to the option to purchase the Line included in the Original Lease. The 66-mile line runs between approximately milepost NS-8.0 at Chesapeake, VA, and approximately milepost NS-74.00 at Edenton, NC including a branch line between Elizabeth City, milepost WK-0.0, and Weeksville, NC, milepost

WK-7.48, and 8.5 miles of incidental trackage rights between in Chesapeake City between milepost NS-8.9 and milepost N-5.6, as described in the Original Lease (the "Line"). See *Chesapeake and Albemarle Railroad Company, Inc.—Lease, Acquisition, and Operation Exemption—Southern Railway Company*, ICC Finance Docket No. 31617 (ICC served April 20, 1990). NCVR is the successor by merger to Chesapeake & Albemarle Railroad Company, Inc.¹ and NSR is successor in interest to Southern Railway Company.

NCVR is located at 214 North Railroad Street, Ahoskie, NC 27910, (252) 332-2778. NSR is located at Three Commercial Place, Norfolk, VA 23510, (855) 667-3655. Counsel to whom questions concerning the transaction can be addressed: Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250. Lou@lgraillaw.com.

b. **1180.6(a)(1)(ii)**. The proposed time schedule for consummation of the proposed transaction.

NCVR intends to consummate this transaction on or after December 8, 2011.

c. **1180.6(a)(1)(iii)**. The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The purpose of the transaction is to extend the terms of the Original Lease and to strike and render null and void all provisions relating to the option to purchase the Line included in the Original Lease. Pursuant to the Amendment between NCVR and NSR, NCVR will continue to lease about 66 miles of track from NSR and will continue to operate the Line and all ancillary trackage and property.

¹ *RailTex, Inc., North Carolina & Virginia Railroad Company, Inc., Chesapeake and Albemarle Railroad Company, Inc., Dallas, Garland & Northeastern Railroad, Inc., Mid-Michigan Railroad, Inc., and Indiana Southern Railroad, Inc.—Corporate Family Transaction Exemption*, STB Finance Docket No. 33809 (STB served October 29, 1999).

d. **1180.6(a)(5).** A list of the State(s) in which any part of the property of each applicant carrier is situated.

NCVR operates approximately 135 miles of track in Eastern North Carolina and Virginia.

NSR operates approximately 21,000 route miles in 26 states Alabama, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia, and the District of Columbia.

c. **1180.6(a)(6). Map (Exhibit 1).** Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit 1. Color copy at end of document.

f. **1180.6(a)(7)(ii). Agreement (Exhibit 2).** Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction.

See Exhibit 2.

g. Labor Protection.

Any employees of NCVR or NSR who are adversely affected by the extension of the lease that is the subject of this Notice are entitled to protection under the conditions imposed in *Mendocino Coast Ry., Inc. Lease and Operate*, 360 I.C.C. 653 (1980).

h. Interchange Commitments.

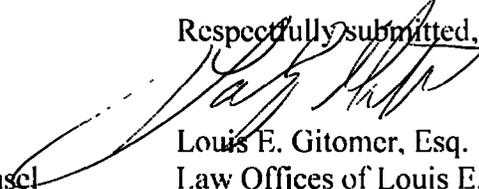
The Amendment does not contain any interchange commitments.

i. Environmental and Historical documentation.

This transaction qualifies for classification under 49 C.F.R. §1105.6(c)(2) and 1105.8(b)(1) thus neither an Environmental Assessment nor a Historic Report is required to be filed.

Respectfully submitted,

Scott G. Williams Esq.
Senior Vice President & General Counsel
RailAmerica, Inc.
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256
(904) 538-6329



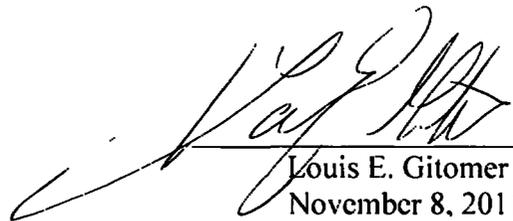
Louis E. Gitomer, Esq.
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Towson, MD 21204
(202) 466-6532
Lou_Gitomer@verizon.net

Attorneys for: NORTH CAROLINA &
VIRGINIA RAILROAD COMPANY, LLC,
CHESAPEAKE & ALBEMARLE RAILROAD
DIVISION

Dated: November 8, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35564, *North Carolina & Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad Division—Lease Amendment -Norfolk Southern Railway Company* to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and the Governors, Public Service Commissions, and Departments of Transportation of the States of North Carolina and Virginia.



Louis E. Gitomer
November 8, 2011

EXHIBIT 1-MAP

Chesapeake & Albemarle Railroad North Carolina & Virginia Railroad

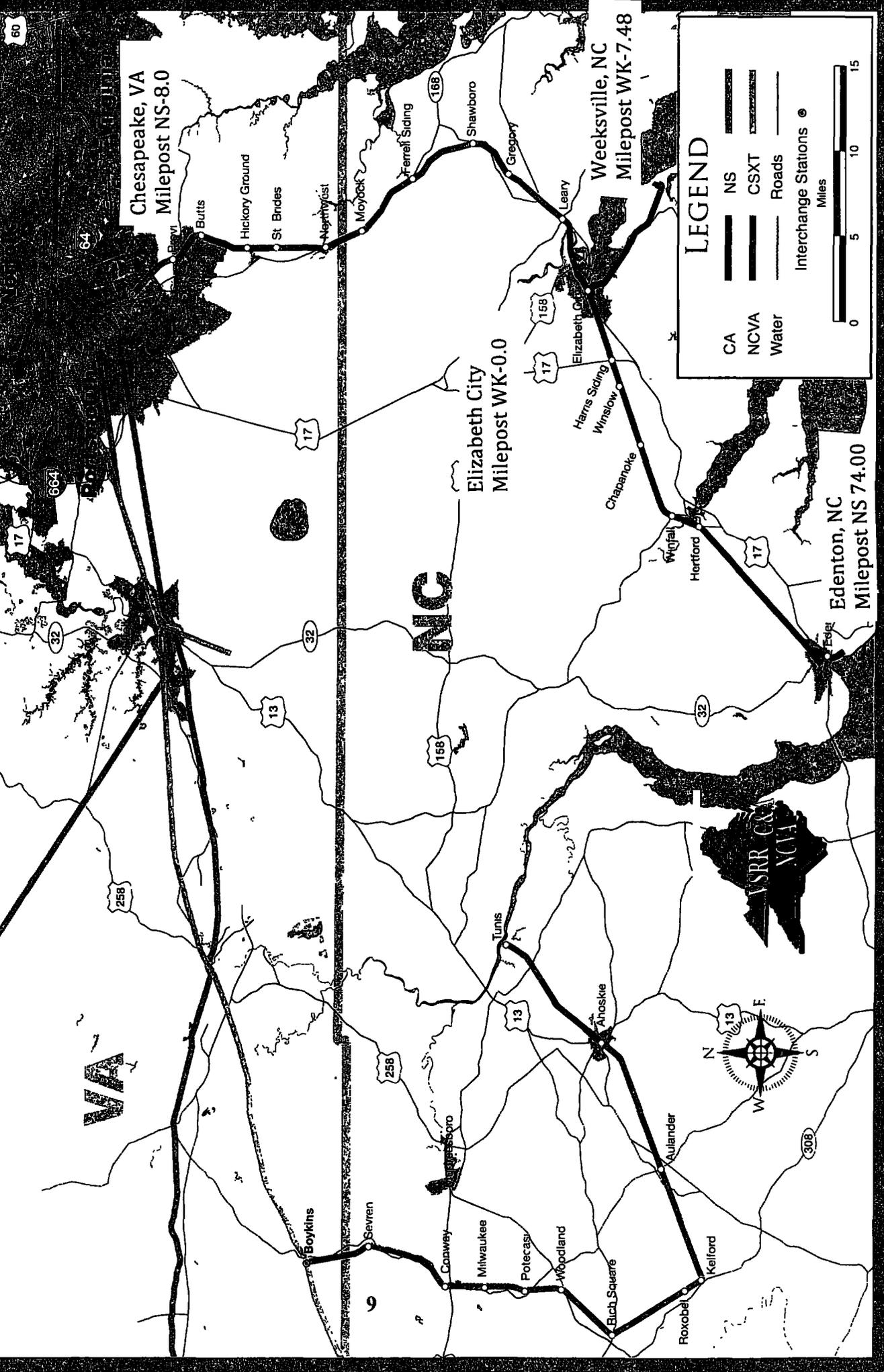


EXHIBIT 2-AGREEMENT

AMENDMENT NO. 4 TO LEASE AND OPTION TO PURCHASE AGREEMENT

This Amendment No. 4 to Lease and Option to Purchase Agreement, as amended (“Amendment 4”), is made and entered into this ___ day of _____, 2011, by and between Norfolk Southern Railway Company (“NS”), a Virginia corporation, Three Commercial Place, Norfolk, Virginia 23410, and North Carolina & Virginia Railroad Company, LLC (“NCVA”), a Delaware corporation, successor by merger to Chesapeake & Albemarle Railroad (“C&A”) and formerly incorporated as North Carolina & Virginia Railroad Company, Inc., 214 North Railroad Street, Ahoskie, North Carolina 27910.

Recitals:

WHEREAS, the parties entered into a Lease and Option to Purchase Agreement (the “Lease”), dated February 28, 1990, and amended subsequently on December 23, 2002, December 18, 2003, and July 22, 2008, whereby C&A acquired the right to lease and operate the line of railroad which runs between approximately Milepost NS-8.0 at Chesapeake, Virginia, and approximately Milepost NS-74.00 at Edenton, North Carolina, and related branch lines of railroad and trackage as defined in the Lease; and

WHEREAS, the Lease as amended provided for a termination date of February 28, 2010, after which the parties began operating under the terms of such Lease on a month-to-month basis as contemplated in Section 2(b) of the Lease; and

WHEREAS, the parties desire to extend the term of the Lease, as amended, and strike all provisions relating to the option to purchase rail property included in the original Lease.

NOW, THEREFORE, the parties hereto agree as follows:

1. Effective Date. The effective date of this Amendment 4 is _____, 2011.
2. Term extension. The term of the Lease as amended as described in Section 2(a) shall be extended until December 31, 2012.
3. Option to Purchase is stricken. All language related to NCVA’s Option to Purchase the Leased Property, which is described in Section 4 of the Lease, as amended, is stricken from the Lease. All references to such option to purchase are hereby rendered null and void.
4. All other provisions of the Lease as amended continue to apply.

In witness whereof, the parties hereto have caused this Amendment to be executed in duplicate, each part being an original, as of the day and year first written above.

In the presence of:

NORFOLK SOUTHERN RAILWAY COMPANY

By:

As to NS

Title:

Attest:

In the presence of:

NORTH CAROLINA & VIRGINIA RAILROAD COMPANY,
LLC

BY:

As to NCVA

Title:

Attest:

VERIFICATION

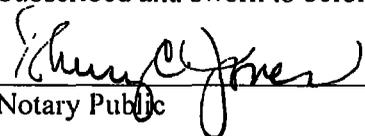
State of Florida)
)ss:
County of Duval)

I, Josh Putterman, being duly sworn depose and state that I am the Vice President and Treasurer of the North Carolina & Virginia Railroad Company, LLC, Chesapeake & Albemarle Railroad Division, and that I am authorized to make this verification, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.



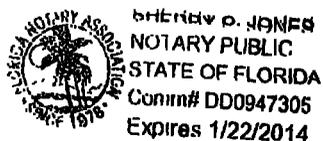
Josh Putterman

Subscribed and sworn to before me this 7th day of November 2011



Notary Public

(SEAL)



Chesapeake & Albemarle Railroad North Carolina & Virginia Railroad

