

NATIONAL RAILWAY UTILIZATION CORP.

P.O. Box 216 / 402 Cedar Rock Street / Pickens, South Carolina 29671 / (803) 878-3581 • 859-1400

December 3, 1976

RECORDATION NO. **8599** REG. & REC. DIV.

DEC 6 1976 - 11 54 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th & Constitution Avenues NW
Washington, D. C. 20423

6-341A089
DEC 6 1976
50-
ICE Washington, D. C.

Attention: Ms. Lee, Room 1227

Dear Ms. Lee:

I transmit for filing the following documents:

Lease Agreement dated November 30, 1976
between Pickens Railroad Company and
National Railway Utilization Corporation,
as Lessees, and W. L. Sharpe Contracting
Co., Inc., Lessor, covering Twelve (12)
70-ton 50' 6" box cars bearing numbers
NSL 100300 - NSL 100311 (both inclusive).

RECEIVED
DEC 6 11 54 AM '76
I.C.C.
FEE OPERATION BR.

The address for Pickens Railroad Company is P. O. Box 216,
Pickens, South Carolina 29671. The address for W. L. Sharpe
Contracting Co., Inc. is 3431 Lamar Avenue, Memphis, Tennessee
38118.

Enclosed herewith is the original and two certified copies
together with check in the amount of \$50.00 in payment of
the filing fee.

Please return the original to William W. Kehl, Esquire, P. O.
Box 10207, Greenville, S. C. 29603, with the recording certi-
fication data stamped thereon.

Very truly yours,

John A. Mariscotti
John A. Mariscotti
Vice President

JAM:ebw

Enclosures

Counters paid

Interstate Commerce Commission

Washington, D.C. 20423

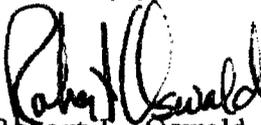
December 6, 1976

OFFICE OF THE SECRETARY

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **12/06/76** at **11:55 am**, and assigned recordation number(s) **8599**.

Sincerely yours,



Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

MASTER EQUIPMENT LEASE



~~W. L. SHARPE CONTRACTING CO., INC.~~

~~30 WESTMINSTER STREET
MEMPHIS, TENNESSEE 38118~~

W. L. Sharpe Contracting Co., Inc.
3431 Lamar Avenue
Memphis, Tennessee 38118

LESSOR: ~~W. L. SHARPE CONTRACTING CO., INC.~~ W. L. Sharpe Contracting Co., Inc. LEASE NO. _____

LESSEE: Pickens Railroad Company & National Railway Utilization Corporation

ADDRESS: 402 Cedar Rock Street Pickens, South Carolina 29671

1. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the equipment and personal property, together with all replacement parts, additions thereto and substitutions therefor (the "Equipment") described in the schedule or schedules (the "Schedules") executed on the date hereof and from time to time by the Lessor and Lessee and attached hereto, upon the terms and conditions hereinafter set forth and as supplemented by the Schedules.

2. The term of this lease shall be for the period specified in the Schedule and shall commence on the date the Equipment is delivered to Lessee, an agent of Lessee, or to a carrier consigned for shipment to Lessee or an agent of such carrier or on the date when Lessor determines that all necessary documentation required in connection herewith has been completed by Lessee and Lessee hereby authorizes and appoints Lessor as its attorney-in-fact to supply the date in the Schedule at such time. Lessee hereby agrees to pay the total rental for the term hereof which shall be the total amount of all rental payments set forth in the Schedule. Lessee hereby waives any existing and future claims and offsets against rent or other payments due hereunder, and agrees to pay such rent and other amounts regardless of any offset or claim that may be asserted by Lessee or on its behalf.

3. LESSOR LEASES THE EQUIPMENT AS IS AND, NOT BEING THE MANUFACTURER OR SUPPLIER OF THE EQUIPMENT, NOR THE AGENT THEREOF, MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE EQUIPMENT'S MERCHANTABILITY, CONDITION, QUALITY, CAPACITY OR FITNESS FOR A PARTICULAR PURPOSE. Lessee acknowledges that the Equipment and its manufacturer or supplier were selected solely by Lessee in its own judgment. If the Equipment is not delivered, is not properly installed, does not operate as warranted, or is unsatisfactory for any reason whatsoever, Lessee shall make all claims on account thereof solely against the manufacturer or supplier and not against Lessor, and Lessee shall nevertheless pay all rentals and other sums payable hereunder. Lessee agrees to execute and deliver to Lessor, within 5 days after delivery and installation of the Equipment to Lessee at the address set forth in the Schedule, either a confirmation by Lessee of unconditional acceptance in a form satisfactory to Lessor or a notice specifying any defects in the Equipment or in the installation thereof which has come to the attention of Lessee and which would give rise to a claim by Lessee against the supplier, manufacturer or any other person, and Lessee's failure so to do shall be an acknowledgment by Lessee that no such defects in the Equipment or its installation exist.

4. The Equipment is, and shall at all times remain, the sole and exclusive property of Lessor. If at any time during the term hereof Lessor supplies Lessee with labels, plates or other markings indicating ownership of the Equipment by Lessor, Lessee shall affix the same to the equipment in a prominent location and shall not remove the same. The Equipment is, and shall at all times remain, personal property, notwithstanding that it or any part thereof may now or hereafter be affixed to real property.

This lease consisting of the foregoing, AND THE REVERSE SIDE HEREOF, together with Schedules(s), correctly sets forth the entire agreement between Lessor and Lessee. No agreements or understandings shall be binding on either of the parties hereto unless specifically set forth in this lease or Schedules(s). The term "Lessee" as used herein shall mean and include any and all Lessees who sign hereunder, each of whom shall be jointly and severally bound thereby. Pickens Railroad Company and National Railway Utilization Corporation hereby agree that their obligations and liabilities hereunder shall be joint and several.

Executed this 30th day of November, 19 76

Cell CKH

Witness

RECORDATION NO. 8599 Filed & Recorded
DEC 6 1976
INTERSTATE COMMERCIAL BANK

By execution hereof, the signer hereby certifies that he has read this lease INCLUDING THE REVERSE SIDE HEREOF, and that he is duly authorized to execute this lease on behalf of Lessee.

LESSEE:
Pickens Railroad Company & National Railway Utilization Corporation
By [Signature] Authorized Signature and Title Ronald K. Gooding
Vice President

LESSOR:
W. L. Sharpe Contracting Co., Inc.
~~W. L. SHARPE CONTRACTING CO., INC.~~
By [Signature] Authorized Signature and Title PRESIDENT

THIS LEASE CANNOT BE CANCELLED

RIDER TO BE ATTACHED TO MASTER EQUIPMENT LEASE

*6. So long as there shall be no default under this Lease, the Lessee shall be entitled to the possession of the Equipment and shall be entitled (i) to the use of the Equipment by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines or railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is regularly operated pursuant to contract, (ii) to permit the use of the Equipment upon connecting and other carriers in the usual inter-change of traffic or pursuant to run-through agreements and (iii) to sublease any Unit of Equipment to other companies incorporated under the laws of any state of the United States or the District of Columbia, for use in connection with their operations, but only upon and subject to all the terms and conditions of this Lease; provided, however, that the Lessee shall not assign or permit the assignment of any Unit of Equipment to service involving the regular operation and maintenance thereof outside the United States of America. Lessee shall, whenever requested by Lessor, advise Lessor of the exact location of any and all Equipment. Lessee agrees not to sell, assign, sublet, pledge or otherwise suffer a lien upon or against any interest in the Lease or Equipment except as permitted in this Section 6.

*7. Lessee shall, at Lessee's option forthwith (i) replace such Equipment with new equipment, or (ii) pay Lessor the residual balance as to such Equipment computed under the Rule of 78, plus the then fair market value of such Unit of Equipment.

*12. As soon as practicable on or after the expiration of the original or any extended term of this Lease with respect to any Unit of Equipment, the Lessee will (unless such Unit is sold to the Lessee), at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks as the Lessor reasonably may designate, provided that such storage tracks shall not be more than 500 miles from Memphis, Tennessee, except with the consent of Lessee. During the period of time during which the Equipment is being returned on or after the original or any extended term of this Lease, the Lessee will pay to the Lessor as "holdover rent" for each such Unit being returned, the daily equivalent of the rental payment in effect pursuant to this Lease on the last rental payment date hereunder for each day elapsed from the date of expiration of the original or any extended term of this Lease, as the case may be, to the date each such Unit is returned to the Lessor pursuant to this Paragraph 12.

*17. a. The Lessee shall have the right to purchase all but not less than all of the Equipment then leased hereunder at the expiration of the original term or of any renewal hereof at a price equal to the fair market value of such Equipment (as hereinafter defined). The Lessee shall give the Lessor written notice 180 days prior to the end of the term of its election to exercise the purchase option provided for in this Section. Payment of the option price shall be made at the place of payment of rent in funds then and there current against delivery of a Bill of Sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment and containing a warranty against liens or claims of persons claiming by, through or under the Lessor except liens and claims which the Lessee assumed or is obligated to discharge under the terms of the Lease. The Lessor shall not be required to make any representation or warranty as to the condition of the Equipment or any other matters.

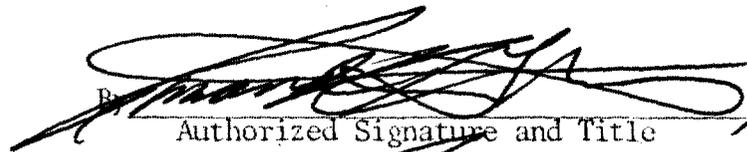
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RIDER TO BE ATTACHED TO MASTER EQUIPMENT LEASE (Cont'd):

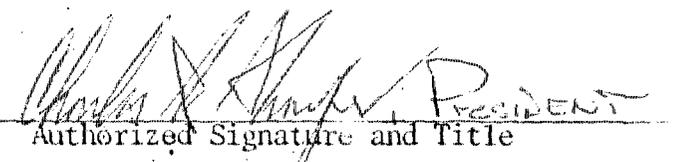
b. The fair market value of a Unit of Equipment shall be equal in amount to the value which would obtain in an arm's-length transaction between an informed and willing buyer/user (other than (i) a lessee currently in possession, or (ii) a used equipment dealer) and an informed and willing seller under no compulsion to sell. If on or before 60 days prior to the date of purchase elected by the Lessee, the Lessor and the Lessee are unable to agree upon a determination of the fair market value of a Unit of Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent appraiser. The term appraiser shall mean such independent appraiser as the Lessor and the Lessee may mutually agree upon, or, failing such agreement, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third designated by the first two so selected.

LESSEE:
PICKENS RAILROAD COMPANY &
NATIONAL RAILWAY UTILIZATION CORPORATION

By  N.P.
Authorized Signature and Title

By  N.P.
LESSOR: Authorized Signature and Title

W. L. Sharpe Contracting Co., Inc.

By  PRESIDENT
Authorized Signature and Title

DATED: 11/22/76

This Lease Cannot be Cancelled

STATE OF TENNESSEE)

COUNTY OF Shelby

On this 22d day of November, 1976, before me personally appeared Charles K. Sharpe, to me personally known, who, being by me duly sworn, says that he is an authorized officer of W. L. Sharpe Contracting Co., Inc.; that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Margua
Notary Public

(Notarial Seal)

My Commission Expires: Aug 2, 1980

STATE OF SOUTH CAROLINA)

COUNTY OF GREENVILLE)

On this 30th day of November, 1976, before me personally appeared Ronald K. Gooding, to me personally known, who, being by me duly sworn, says that he is Vice President of Pickens Railroad Company; that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elizabeth B. Wood
Notary Public

(Notarial Seal)

My Commission Expires: 5/6/81

STATE OF SOUTH CAROLINA)

COUNTY OF GREENVILLE)

On this 30th day of November, 1976, before me personally appeared Ronald K. Gooding, to me personally known, who, being by me duly sworn, says that he is Vice President of National Railway Utilization Corporation; that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elizabeth B. Wood

Notary Public

(Notarial Seal)

My Commission Expires: 5/6/81

