

OCT 12 1979 - 11 00 AM

INTERSTATE COMMERCE COMMISSION

FMC Finance Corporation

Executive Offices
200 East Randolph Drive
Chicago Illinois 60601
(312) 861 6000

October 11, 1979

FMC

NO. 8-285A020

Date OCT 12 1979

Fee \$ 50.00

ICC Washington, D.C.

Section of Dockets & Service
Recordation Unit
Interstate Commerce Commission
Room 2227
12th Street and Constitution Avenue NW
Washington, D.C. 20423

Gentlemen:

We enclose for filing an executed and acknowledged Lease of 200 one-hundred ton XM boxcars, as follows:

Lessor: FMC Finance Corporation
Lessee: East Camden & Highland Railroad Company
Car Numbers: EACH 2501-2700, inclusive

Our check for \$50 is enclosed. Please stamp and return two copies to the messenger delivering the above or to our Washington office, Suite 500, 1627 K Street NW, Washington, D.C. 20006.

Very truly yours,

By Alan R. Kidston
Secretary

Bernard

RECEIVED
OCT 12 11 12 AM '79
I.C.C.
FEE OPERATION BR.

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Alan R. Kidson
FMC Finance Corp.
Suite 500
1627 K St. N. W.
Washington, D.nC. 20006

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on _____ at _____, and assigned recordation number(s).
10/12/79 11:00AM
10880

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

10880

RECORDATION NO. Filed 1425 082979

OCT 12 1979 - 11 00 AM

INTERSTATE COMMERCE COMMISSION

**LEASE AGREEMENT
(EACH)**

THIS LEASE AGREEMENT, made as of this 31st day of August, 1979, between FMC FINANCE CORPORATION, a Delaware corporation, 200 E. Randolph Drive, Chicago, Illinois 60601 ("Lessor"), and EAST CAMDEN & HIGHLAND RAILROAD COMPANY, an Arkansas corporation ("Lessee").

1. Scope of Agreement.

A. Lessee leases American Association of Railroad ("AAR") Class XM general service boxcars ("Itel Cars") from Itel Corporation ("Itel") pursuant to a lease agreement ("Itel Lease") attached as Exhibit A. Lessee wishes to lease from Lessor, and Lessor agrees to lease to Lessee, two hundred 100-ton, 50' 6" XM boxcars with single 12' plug doors, end of car cushioning, AAR Plate C, car numbers EACH 2501-2700 inclusive ("Cars") on the same terms and conditions as those in the Itel Lease, except as specifically provided otherwise in this Lease Agreement. The parties therefore incorporate the Itel Lease by reference. As so incorporated, for purposes of this Lease Agreement, unless otherwise required by the context of the Itel Lease:

- (i) "Itel Rail" as used in the Itel Lease shall mean FMC Finance Corporation,
- (ii) "Lease Agreement" as used hereafter in this document shall mean the Itel Lease as amended by this document;
- (iii) "Cars" as used in this document and the Itel Lease shall mean only the Cars described above and shall not include any Itel Cars.

B. Lessee shall give preference to Lessor and shall load the Cars leased from Lessor prior to loading substantially similar freight cars leased from Itel or leased from other parties or purchased by Lessee subsequent to the date of this Agreement or interchanged with railroads; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks.

C. Neither party shall be obligated to lease additional freight cars to or from the other.

2. Car Management

A. Lessee consents to Lessor's appointment of Itel to manage the Cars for Lessor. Lessor reserves the right to terminate Itel as its manager on such terms as Lessor and Itel may establish. In such event, Lessor may perform such services itself or appoint a qualified third party acceptable to Lessee to perform such services, Lessee shall not unreasonably withhold such acceptance.

B. During the term of this Lease Agreement and while Itel is designated to do the car hire accounting for Lessee, unless otherwise agreed by the parties, Lessee will take such action and approve such commercially reasonable arrangements as Itel and Lessor may make relating to the receipt of car hire reports, car hire accounting and car hire payments from other railroads. Such arrangements shall be subject to reasonable approval by Lessee. Lessee consents to the use of a post office box rented by Lessor for use by Itel, subject to the immediate availability to Lessor at its request of car hire reports relating to the Cars. Lessee also consents to: (i) the use of a San Francisco bank account to be opened by Lessor to receive and collect all car hire payments to Lessee from other railroads and (ii) to retention by Lessor from such receipts of up to 95% of an amount equal to 100% utilization of the Cars, as Itel and Lessor may agree, all other such receipts to be remitted at least weekly to Itel. Lessee agrees to provide all approvals and authorizations required by the bank to negotiate and collect the drafts, checks or other instruments remitted as car hire payments by other railroads.

C. If Itel ceases to do the car hire accounting and collection for Lessee, Lessee covenants that unless otherwise agreed it will co-operate with Lessor: (i) to make all reports of use of the Cars by other railroads available to Lessor or its representative at cost and (ii) to promptly remit to Lessor or its representative an amount equal to all payments to Lessee received from other railroads for use of the Cars. Failure of Lessee to do so shall constitute a default, as provided in Itel Lease paragraph 3.

3. This Lease Agreement shall be governed by and construed according to the laws of the State of Arkansas.

4. In referencing paragraphs of this Lease Agreement, "Itel Lease Paragraph _____" shall mean the corresponding paragraph in the Itel Lease as incorporated by reference. All other references to paragraphs in this Lease Agreement shall mean to this document.

5. All notices 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, addressed to the president of the other party, as follows:

Lessor: FMC Finance Corporation
200 E. Randolph Drive
Chicago, Illinois 60601
Attention: President

Lessee: East Camden & Highland Railroad Company
P. O. Box 3180
East Camden, Arkansas 71701

Either party may change its address for notice purposes by notice to the other.

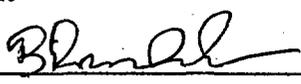
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FMC Finance Corporation

East Camden & Highland
Railroad Company

LESSOR

LESSEE

By: 

By: 

Title: ~~President~~ Chairman

Title: ^{Exec. Vice-} President

Date: October 11, 1979

Date: September 12, 1979

IteI Waiver and Consent

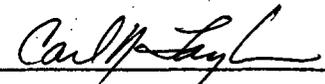
In consideration of Lessor's agreement to supply Cars to Lessee as provided in the foregoing Lease Agreement and IteI Corporation's ("IteI") appointment by Lessor to manage the Cars, IteI consents to Lessee's agreement to give priority loading to the Cars over IteI cars, waives IteI's right to such priority loadings and the other restrictions of that Lease Agreement dated April 26, 1977 between IteI (as Lessor) and Lessee to the extent they are inconsistent with this Lease Agreement, and consents to the provisions of Paragraph 2 of this Lease Agreement.

(Seal)

ATTEST:

ITEL CORPORATION,
RAIL DIVISION


Asst. Secretary

By: 

Title: President

Date: October 9, 1979

STATE OF ARKANSAS)
COUNTY OF OUACHITA)

On this 12th day of September, 1979, before me personally appeared Don E. Ghent, to me personally known, who being by me duly sworn says that such person is Exec. Vice-President of EAST CAMDEN AND HIGHLAND RAILROAD CO, that the foregoing Lease Agreement 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.

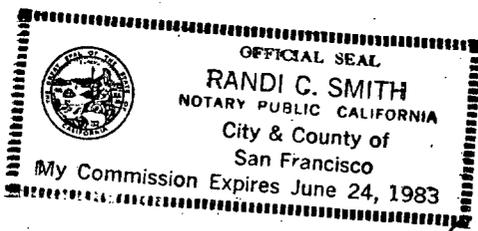
MY COMMISSION EXPIRES 11-15-80

Sarah G. Warren
Notary Public

STATE OF California)
COUNTY OF San Francisco)

On this 9 day of October, 1979, before me personally appeared Carl N Taylor, to me personally known, who being by me duly sworn says that such person is President of Intel Corporation Rail Division, that the foregoing Lease Agreement 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.

Randi C. Smith
Notary Public



STATE OF Illinois)
COUNTY OF Cook)

On this 11th day of October, 1979, before me personally appeared Bart van Eck, to me personally known, who being by me duly sworn says that such person is Chairman of FMC Finance Corporation, that the foregoing lease 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.

Judith A. Zeman
Notary Public

**ITEL
CORPORATION
RAIL DIVISION**

Exhibit A

LEASE AGREEMENT

THIS LEASE AGREEMENT, made as of this 26 day of April, 1978, between ITEL CORPORATION, RAIL DIVISION, a Delaware corporation, Two Embarcadero Center, San Francisco, California 94111 ("Iitel Rail"), as Lessor, and East Camden & Highland Railroad Company, an Arkansas corporation ("Lessee"), as Lessee.

1. Scope of Agreement

A. Iitel Rail agrees to lease to Lessee, and Lessee agrees to lease from Iitel Rail, freight cars as set forth in any lease schedules executed by the parties concurrently herewith or hereafter and made a part of this Agreement. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto, each of which when signed by both parties shall be a part of this Agreement. The scheduled items of equipment are hereinafter called collectively the "Cars."

B. It is the intent of the parties to this Agreement that Iitel Rail shall at all times be and remain the lessor of all Cars. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Agreement shall remain in full force until it shall have been terminated as to all of the Cars as provided herein. The term of lease with respect to all of the Cars described on each Schedule shall be for fifteen (15) years (the "Initial Lease Term") commencing upon the date when all Cars on such Schedule have been delivered as set forth in Section 3A hereof.

B. If this Agreement has not been earlier terminated and no default has occurred and is continuing, it shall automatically be extended for not more than five consecutive periods of twelve months each (the "Extended Lease Term") with respect to all of the Cars described on each Schedule, provided, however, that Iitel Rail or Lessee may terminate this Agreement on or after the Initial Lease Term as to all, but not fewer than all, of the Cars on any such Schedule by written notice delivered to the other not less than twelve months prior to the end of the Initial Lease Term or any Extended Lease Term.

3. Supply Provisions

A. Iitel Rail will inspect each of the Cars tendered by the manufacturer for delivery to Lessee. Prior to such inspection, however, Lessee shall confirm in writing to Iitel Rail that the sample Car which will be made available for Lessee's inspection prior to the commencement of deliveries conforms to the specifications of the equipment agreed to by Lessee. Upon such approval by Lessee and Iitel Rail's determination that the Car conforms to the specifications ordered by Iitel Rail and to all applicable governmental regulatory specifications, and provided this Agreement has not been terminated, Iitel Rail will accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. Each of the Cars shall be deemed delivered to Lessee upon acceptance by Iitel Rail. The Cars shall be moved to Lessee's railroad line at no cost to Lessee as soon after acceptance of delivery by Iitel Rail as is consistent with mutual convenience and economy. Due to the nature of railroad operations in the United States, Iitel Rail can neither control nor determine when the Cars leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of the Cars leased hereunder, Lessee agrees to pay to Iitel Rail the rent set forth in this Agreement. To move the Cars to

Lessee's railroad line in order to insure optimal use of the Cars after first loading of freight Car on the railroad line of Lessee. IteI Rail agrees to assist Lessee in coordinating Car movements and, when deemed necessary by Lessee and IteI Rail, to issue orders with respect to such Cars to other railroad lines in accordance with ICC and AAR interchange agreements and rules.

The term "Initial Loading" of each Car for the purposes hereof is defined as the earlier of

(i) the first loading of freight of each Car on the railroad line of Lessee,

or

(ii) the thirty-first (31st) day after acceptance of delivery of each Car by IteI Rail.

B. Lessee agrees that so long as it shall have on lease any Cars, it shall not lease freight cars from any other party until it shall have received all of the Cars on the Schedule or Schedules.

[The foregoing, however, shall not be deemed to prohibit Lessee from leasing from other parties if IteI Rail does not offer lease terms equal to or better than those offered by such other parties. Lessee shall give preference to IteI Rail and shall load the Cars leased from IteI Rail prior to loading substantially similar freight cars leased from other parties or purchased by Lessee subsequent to the date of this Agreement or interchanged with railroads; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks.

C. Additional Cars shall be leased from IteI Rail by Lessee only upon the mutual agreement of the parties hereto. Upon such agreement, such additional Cars shall be identified in Schedules to this Agreement and shall benefit from and be subject to this Agreement upon execution of the Schedules by IteI Rail and Lessee. Notwithstanding the execution of any Schedules, including Schedules for additional Cars, the delivery of any Car to Lessee shall be subject to manufacturers' delivery schedules, financing satisfactory to IteI Rail and the mutual acknowledgment of the parties that the addition of such Cars is not likely to reduce Utilization (as defined in Section 6) of all Cars on lease to Lessee to less than 85 per cent in any calendar quarter. If, due to the factors listed in the preceding sentence, fewer than all of the Cars listed on a Schedule shall be delivered to Lessee, the lease term shall be deemed to have commenced on the date the final Car of the most recent group of Cars was delivered to Lessee.

4. Railroad Markings and Record Keeping

A. IteI Rail and Lessee agree that on or before delivery of any Cars to Lessee, said Cars will be lettered with the railroad markings of Lessee and may also be marked with the name and/or other insignia used by Lessee. Such name and/or insignia shall comply with all applicable regulations.

B. At no cost to Lessee, IteI Rail shall during the term of this Agreement prepare for Lessee's signature and filing all documents relating to the registration, maintenance and record keeping functions involving the Cars. Such documents shall include but are not limited to the following: (i) appropriate AAR documents including an application for relief from AAR Car Service Rules 1 and 2; (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register; and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies.

C. Each Car leased hereunder shall be registered at no cost to Lessee in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. IteI Rail shall, on behalf of Lessee, perform all record keeping functions related to the use of the Cars by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules, such as car hire reconciliation. Correspondence from railroads using such Cars shall be addressed to Lessee at such address as IteI Rail shall select.

D. All record keeping performed by Itel Rail hereunder and all record of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Itel Rail in a form suitable for reasonable inspection by Lessee from time to time during regular Itel Rail business hours. Lessee shall supply Itel Rail with such reports, including daily telephone reports of the number of Cars on Lessee's tracks, regarding the use of the Cars by Lessee on its railroad line as Itel Rail may reasonably request.

5. Maintenance, Taxes and Insurance

A. Except as otherwise provided herein, Itel Rail will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each of the Cars during its lease term and any extension thereof, including but not limited to repairs, maintenance and servicing, unless the same was occasioned by the fault of Lessee. Lessee shall inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and shall be liable to Itel Rail for any repairs required for damage not noted at the time of interchange.

B. Except as provided above, Itel Rail shall make or cause to be made such inspections of, and maintenance and repairs to, the Cars as may be required. Upon request of Itel Rail, Lessee shall perform any necessary maintenance and repairs to Cars on Lessee's railroad tracks as may be reasonably requested by Itel Rail. Itel Rail shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition throughout the lease term of such Cars. Lessee may make running repairs to facilitate continued immediate use of a Car, but shall not otherwise make any repairs, alterations, improvements or additions to the Cars without Itel Rail's prior written consent. If Lessee makes an alteration, improvement or addition to any Car without Itel Rail's prior written consent, Lessee shall be liable to Itel Rail for any revenues lost due to such alteration. Title to any such alteration, improvement or addition shall be and remain with Itel Rail.

C. Lessee will at all times while this Agreement is in effect be responsible for the Cars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules—Freight for freight cars not owned by Lessee on Lessee's railroad tracks. Lessee shall protect against the consequences of an event of loss involving the Cars while on Lessee's railroad tracks by obtaining insurance. Lessee shall also maintain bodily injury and property damage liability insurance. Lessee shall furnish Itel Rail concurrently with the execution hereof and thereafter at intervals of not more than 12 calendar months with certificates of insurance with respect to the insurance required as aforesaid signed by an independent insurance broker. All insurance shall be taken out in the name of Lessee and Itel Rail (or its assignee) as their interests may appear.

D. Itel Rail agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Car and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to Lessee or which may be accrued, levied, assessed or imposed during the lease term, except taxes on income imposed on Lessee and sales or use taxes imposed on the mileage charges and/or car hire revenues. Itel Rail shall forward to Lessee all sales and use tax payments received by it on behalf of Lessee. Itel Rail and Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Cars. Itel Rail shall review all applicable tax returns prior to filing.

6. Lease Rental

A. Lessee agrees to pay the following rent to Itel Rail for the use of the Cars:

(i) Itel Rail shall receive all payments made to Lessee by other railroad companies for their use or handling of the Cars, including but not limited to mileage charges, straight car hire payments and incentive car hire payments (all of which payments made to Lessee are hereinafter collectively referred to as "Payments") if the Utilization (as defined below) of all of the Cars delivered to Lessee on an aggregate basis for each calendar year shall be equal to or less

than 90 per cent. For the purpose of this Agreement, Utilization of the Cars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that car hire payments are earned by Lessee on the Cars, commencing from the Initial Loading, and the denominator of which is the aggregate number of days in each calendar year that the Cars are on lease to Lessee, commencing from the Initial Loading. In addition, Itel Rail will receive, as additional rental, all monies earned by the Cars prior to their Initial Loading.

In the event that demurrage charges in excess of \$10 per day are ever refunded to the owners of cars in accordance with an order of the ICC pursuant to Ex Parte 289, such demurrage charges will not be included in the above defined Payments.

(ii) In the event Utilization exceeds 90 per cent in any calendar year, Itel Rail shall receive an amount equal to the Itel Rail Base Rental plus an amount equal to one-half of the Payments earned in excess of the Itel Rail Base Rental. For the purpose hereof, Itel Rail Base Rental shall be an amount equal to the total Payments for the calendar year multiplied by a fraction, the numerator of which is 90 per cent and the denominator of which is the Utilization for such calendar year. (The above determination of Itel Rail Base Rental insures that Lessee will, if Utilization is greater than 90 per cent in any calendar year, receive one-half of all the Payments made by other railroads for use or handling of the Cars in excess of the Itel Rail Base Rental.)

(iii) If Itel Rail pays other railroads to move Cars in accordance with Section 3A, except for any expenses incurred to deliver such Cars to Lessee's railroad line, Lessee shall reimburse Itel Rail for such expenses only from and out of the monies received by Lessee pursuant to subsection 6A(ii).

(iv) The rental charges payable to Itel Rail by Lessee shall be paid from the Payments received by Lessee in the following order until Itel Rail receives the amounts due it pursuant to this section: (1) incentive car hire payments; (2) straight car hire payments; (3) mileage charges and (4) other.

(v) In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules—Freight and the appropriate amount due as a result thereof is received by Itel Rail, said damaged or destroyed Car will be removed from the coverage of this Agreement as of the date that payment of car hire payments ceased.

B. The calculations required above shall be made within five months after the end of each calendar year. However, to enable Itel Rail to meet its financial commitments, Itel Rail shall, prior to making such calculations, retain the payments received by it on behalf of Lessee. Further, since the parties desire to determine on a quarterly basis the approximate amount of the rental charges due Itel Rail, Itel Rail shall within three months after the end of each calendar quarter, calculate on a quarterly basis rather than a yearly basis the amount due it pursuant to this section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, provided, however, that following the yearly calculation, any amount paid to either party in excess of the amounts required by the yearly calculation shall be promptly refunded to the appropriate party.

C. If at any time during a calendar quarter, the number of days that the Cars have not earned car hire payments is such as to make it mathematically certain that the Utilization in such calendar quarter cannot be equal to or greater than 86 per cent, Itel Rail may, at its option and upon not less than 10 days prior written notice to Lessee, terminate this Agreement as to such Cars as Itel Rail shall determine.

D. Itel Rail may, at its option, terminate this Agreement if the ICC shall, at any time, (1) issue an order reducing incentive car hire for Cars on an annual basis to three months or less without a corresponding increase in straight car hire or other monies available to both Itel Rail and Lessee at

least equal in amount to such reduction, (2) determine that Lessee may not apply its incentive car hire receipts in payment of the rental charges set forth in this section or (3) require that Lessee spend funds not earned by the Cars in order for Lessee to continue to meet its obligations set forth in this section.

E. Subsequent to the Initial Loading, if any Car remains on Lessee's railroad tracks for more than seven consecutive days, Irel Rail may, at its option and upon not less than 24 hours prior written notice, terminate this Agreement as to such Car and withdraw such Car from Lessee's railroad tracks. If any such Car remains on Lessee's railroad tracks more than seven consecutive days because Lessee has not given preference to the Cars as specified in Section 3B, Lessee shall be liable for and remit to Irel Rail an amount equal to the Payments Lessee would have earned if such Cars were in the physical possession and use of another railroad for the entire period.

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement and in the manner and to the extent Cars are customarily used in the railroad freight business, provided that Lessee retain on its railroad tracks no more Cars than are necessary to fulfill its immediate requirements to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Irel Rail in connection with the acquisition of Cars, i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that all rent shall be made directly to such party and/or that the Cars be returned to such party. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Irel Rail or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest, or claim if the same shall arise at any time.

8. Default

A. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant, or condition of this Agreement, which is not cured within ten days thereafter.

(iii) Any act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless

such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of such filing or appointment.

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency.

(vi) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state.

B. Upon the occurrence of any event of default, Itel Rail may, at its option, terminate this Agreement (which termination shall not release Lessee from any obligation to pay to Itel Rail any and all rent or other sums that may then be due or accrued to such date or from the obligation to perform any duty or discharge any other liability occurring prior thereto) and may

(i) Proceed by any lawful means to enforce performance by Lessee of such obligations or to recover damages for a breach thereof (and Lessee agrees to bear Itel Rail's costs and expenses, including reasonable attorneys' fees, in securing such enforcement), or

(ii) By notice in writing to Lessee, terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate; and thereupon Itel Rail may enter upon any premises where the Cars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee.

9. Termination

Upon the termination of this Agreement as to any Cars, Lessee will surrender possession of such Cars to Itel Rail by delivering the same to Itel Rail. A Car shall be no longer subject to this Agreement upon the removal of Lessee's railroad markings from the Car and the placing thereon of such markings as may be designated by Itel Rail, either, at the option of Itel Rail, (1) by Lessee upon return of such Cars to Lessee's railroad line or (2) by another railroad line which has physical possession of the Car at the time of or subsequent to termination of the lease term as to such Car. If such Cars are not on the railroad line of Lessee upon termination, any cost of assembling, delivering, storing, and transporting such Cars to Lessee's railroad line or the railroad line of a subsequent lessee shall be borne by Itel Rail. If such Cars are on the railroad line of Lessee upon such expiration or termination or are subsequently returned to Lessee's railroad line, Lessee shall at its own expense within five working days remove Lessee's railroad markings from the Cars and place thereon such markings as may be designated by Itel Rail. After the removal and replacement of markings, Lessee shall use its best efforts to load such Cars with freight and deliver such Cars to a connecting carrier for shipment. Lessee shall provide up to sixty (60) days free storage on its railroad tracks for Itel Rail or the subsequent lessee of any terminated Car. If any Car is terminated pursuant to subsections CC or 6E or section 8 prior to the end of its lease term, Lessee shall be liable to Itel Rail for all costs and expenses incurred by Itel Rail to repaint the Cars and place thereon the markings and name or other insignia of Itel Rail's subsequent lessee, provided, however,

that if the Agreement is terminated by Itel Rail pursuant to subsection 6.C

prior to the end of the Initial Lease Term for actions of Lessee which were caused by rules or regulations of the ICC or by a general depressed economy within the United States; then Lessee will be held liable for only one-half of the costs and expenses incurred to repaint the Cars.

10. Indemnities

Itel Rail will defend, indemnify and hold Lessee harmless from and against (1) any and all loss or damage of or to the Cars, usual wear and tear excepted, unless occurring while Lessee has physical possession of Cars and (2) any claim, cause of action, damage, liability, cost or expense which may be asserted against Lessee with respect to the Cars (other than loss or physical damage to the Cars as provided in (1) above) unless occurring through the fault of Lessee, including without limitation the construction, purchase and delivery of the Cars to Lessee's railroad line, ownership, leasing or return of the Cars, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by Itel Rail or Lessee).

11. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

(ii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not disclosed to ITEL Rail in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

(v) Lessee has not during the years 1964-1965 built, leased, purchased or nonequity leased new boxcars or rebuilt any boxcars.

12. Inspection

ITEL Rail shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify ITEL Rail of any accident connected with the malfunctioning or operation of the Cars, including in such report the time, place and nature of the accident and the damage caused, the names and addresses of any persons injured and of witnesses, and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify ITEL Rail in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Car. Lessee shall furnish to ITEL Rail promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

13. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of ITEL Rail assign this Agreement or any of its rights hereunder or sublease the Cars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of this Agreement and in furtherance of any financing agreement entered into by ITEL Rail in connection with the acquisition of the Cars in order to confirm the financing party's interest in and to the Cars, this Agreement and Schedules hereto and to confirm the subordination provisions contained in Section 7.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint venture or partnership is being created. Notwithstanding calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee only.

D. No failure or delay by Itel Rail shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Itel Rail nor shall any waiver or indulgence by Itel Rail or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

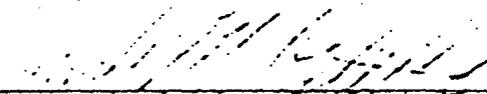
E. This Agreement shall be governed by and construed according to the laws of the State of California.

F. 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, addressed to the president of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ITEL CORPORATION, RAIL DIVISION

East Camden & Highland Railroad Company

BY: 

Joseph E. Costello, Jr.

BY: 

Don E. Ghent

TITLE: President

TITLE: Executive Vice President

DATE: 8/25/78

DATE: June 6, 1978

Rider No. 1 to the Lease Agreement made as of April 26, 1978 between IteI Corporation, Rail Division and the East Camden & Highland Railroad Company.

Subsections 6A(i), and 6A(ii) to the Agreement are hereby deleted in their entirety and substituting in lieu thereof, the following:

(i) IteI Rail shall receive all payments paid to Lessee by other railroad companies for their use or handling of the Cars including but not limited to mileage charges, straight car hire payments and incentive car hire payments (all of which payments made to Lessee are hereinafter collectively referred to as "Payments") if such payments for all of the Cars made to Lessee on an aggregate basis for each calendar year shall be equal to or less than 86% of the Base Payment. For the purposes of the Agreement, Base Payment (including Mileage Revenue as defined below) shall be defined as an amount equal to the Payments which would have been paid to Lessee by other railroad companies if the Utilization (as defined below) had been 100 per cent. For the purposes hereof, Mileage Revenue shall be an amount equal to the current applicable charge per line - haul mile specified in the Code of Car Hire Rules and Interpretations - Freight, multiplied by 50 multiplied by the number of days in the applicable calendar year, multiplied by the number of Cars then subject to the Agreement. Utilization of the Cars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that the car hire payments are earned by the Lessee on the Cars, commencing from the Initial Loading, and the denominator of which is the aggregate number of days in each calendar year that the Cars are on lease to Lessee, commencing from the Initial Loading. In addition, IteI Rail will receive, as additional rental, all monies earned by the Cars prior to their Initial Loading. In the event that demurrage charges in excess of \$10 per day are ever refunded to the owners of Cars in accordance with an order of the ICC pursuant to Ex Parte 289, such demurrage charges will not be included in the above defined Payments.

(ii) In the event Payments exceed 85 per cent of Base Payment in any calendar year, IteI Rail shall receive an amount equal to 86 per cent of the Base Payments plus all mileage charges exceeding an amount equal to the current applicable charge per line-haul mile specified in the Code of Car Hire Rules and Interpretations-Freight, multiplied by 75, multiplied by the days in the applicable calendar year, multiplied by the number of Cars then subject to the Agreement multiplied by the Utilization for the applicable calendar year (such sum referred to as the "Adjusted Base") plus an amount equal to one half of the Payments earned in excess of 94% of the Adjusted Base.

Section 6C is hereby amended by deleting such section in its entirety and substituting in lieu thereof, the following:

6C: If at any time during a calendar quarter, the number of days that the Cars have not earned car hire payments is such as to make it mathematically certain that the Utilization in such calendar quarter cannot be equal to or greater than 86 per cent, IteI Rail may, at its option and upon not less than 10 days prior written notice to Lessee, terminate this Agreement as to such Cars as IteI Rail shall determine provided, however, that Lessee may, at its option, within ten days of

receipt of such notice from Itel Rail of the Utilization for such calendar quarter, keep possession of such Cars by paying Itel Rail an amount equal to the difference between the rent (including mileage revenues) Itel Rail received for such calendar quarter and the rent (including mileage charges equal to Minimum Mileage Revenue as defined below) Itel Rail would have received had the Utilization been 86 per cent. For the purposes hereof, Minimum Mileage Revenue shall be an amount equal to the current applicable charge per line-haul mile specified in the Code of Car Hire Rules and Interpretations--Freight, multiplied by the number of days in the applicable calendar quarter, multiplied by the number of Cars then subject to the Agreement multiplied by 86 per cent multiplied by 75 miles per day.

ITEL CORPORATION, RAIL DIVISION

East Camden & Highland Railroad Company

BY:

Joseph M. Costello, Jr.

BY:

Don E. Ghent

TITLE: President

TITLE Executive Vice President

DATE:

8/25/78

DATE June 6, 1978

A-10

Rider No. 2 to the Lease Agreement made as of April 26, 1978 between ITEL Corporation, Rail Division and the East Camden & Highland Railroad Company

A New Section 1C is added as follows:

"ITel Rail and Lessee agree that, as between themselves, Lessee shall be entitled to claim the benefits of any available Investment Tax Credit for Federal income tax purposes in connection with the acquisition of the Cars bearing the identifying numbers Each 2001-3050 & Each 4001-4450 set forth on Equipment Schedule Nos. 1,2,3 to the Agreement. Such Cars shall be new equipment when delivered to Lessee hereunder and ITEL Rail agrees to execute such documents as may be required to permit Lessee to claim any Investment Tax Credits relating to such Cars."

ITEL CORPORATION, RAIL DIVISION

BY:

Joseph M. Costello, Jr.

TITLE: President

DATE:

8/25/78

East Camden & Highland Railroad Company

BY:

Don E. Ghent

TITLE: Executive Vice President

DATE:

June 6, 1978

Rider No. 3 to the Lease Agreement made as of April 26, 1978 between Itel Corporation, Rail Division and the East Camden & Highland Railway Company.

AS
The execution by Lessee of this Agreement is not binding upon it until it shall have notified Itel Rail in writing of its intent to be bound and by ~~having~~ *AS* ~~been~~ notified in writing by Itel Rail of its intent to deliver at least 200 of the Cars in the fourth quarter of 1978 and to deliver the remainder of the Cars identified on Equipment Schedule No. 1 by the end of the first quarter 1979. The delivery of the Cars on Equipment Schedules 2 and 3 are subject to the provisions of section 3.C. and will not be delivered to Lessee without its prior written consent.

ITEL CORPORATION, RAIL DIVISION

BY: *Joseph M. Costello*

Joseph M. Costello

TITLE: President

DATE: 6/25/78

EAST CAMDEN & HIGHLAND RAILROAD COMPANY

BY: *Don E. Ghent*

Don E. Ghent

TITLE: Executive Vice President

DATE: June 6, 1978

RIDER NUMBER FOUR

Rider Number Four to the Lease Agreement made as of April 26, 1978 between ITEL Corporation, Rail Division and the East Camden & Highland Railroad Company.

ARR
ARR 1. Section 6^A of the Lease Agreement as amended by Rider No. 1 is hereby
Section 6A as amended
amended by deleting in its entirety and in lieu thereof the following is substituted:

6. Lease Rental

Lessee agrees to pay the following rent to Lessor for the use of the Cars:

A. (i) Lessor shall receive all Car Hire payments paid to Lessee by other railroad companies or received as off-sets from other railroad companies, for their use or handling of the Cars including, but not limited to mileage charges, Per Diem payments and Incentive Per Diem payments (all of which payments made to Lessee are hereinafter collectively referred to as "Payments") if such Payments for all of the Cars made to Lessee on an aggregate basis for each calendar year shall be equal to or less than the total of 86% of the Base Payment and 100% of the Base Mileage Revenue. For the purposes of the Agreement, "Base Payment" (excluding Base Mileage Revenue as defined below) shall be defined as an amount equal to the Payments which would have been paid to Lessee by other railroad companies if the Utilization (as defined below) had been 100 per cent. For the purposes hereof, "Base Mileage Revenue" shall be an amount equal to the current applicable charge per line-haul mile specified in the Code of Car Hire Rules and Interpretations - Freight, multiplied by 50 multiplied by the number of days in the applicable calendar year, multiplied by the number of Cars then subject to the Agreement. "Utilization" of the Cars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that car hire payments are earned by the Lessee on the Cars, commencing from the Initial Loading, and the denominator of which is the aggregate number of days in each calendar year that the Cars are on lease to Lessee, commencing from the Initial Loading. In addition, Lessor will receive, as additional rental, all monies earned by the Cars prior to their Initial Loading. In the event that demurrage

charges in excess of \$10 per day are ever refunded to the owners of Cars in accordance with an order of the ICC pursuant to Ex Parte 289, such demurrage charges will not be included in the above defined Payments. The term "Initial Loading" of each Car for the purposes hereof is defined as the earlier of (i) the first loading of freight on each Car on the railroad line of Lessee, or (ii) the thirty-first (31st) day after acceptance of delivery of each Car by Lessor.

(ii) In the event Payments exceed the total of 86% of Base Payment and 100% of the Base Mileage Revenue in any calendar year, Lessor shall receive an amount equal to the total of 86 per cent of the Base Payments and 100 per cent of the Base Mileage Revenue plus all mileage charges exceeding an amount equal to the current applicable charge per line-haul mile specified in the Code of Car Hire Rules and Interpretations-Freight, multiplied by 75, multiplied by the days in the applicable calendar year, multiplied by the number of Cars then subject to the Agreement multiplied by the Utilization for the applicable calendar year plus an amount equal to one half of the Payments earned in excess of 94% of the Base Payment.

(iii) If Lessor pays other railroads to move Cars in accordance with Section 3A, except for any expenses incurred to deliver such Cars to Lessee's railroad line, Lessee shall reimburse Lessor for such expenses only from and out of the monies received by Lessee pursuant to subsection 6A (ii).

(iv) The Rental charges payable to Lessor by Lessee shall be paid from the Payments received by Lessee in the following order until Lessor receives the amounts due it pursuant to this section: (1) Incentive Per Diem payments; (2) Per Diem payments; (3) Mileage Charges and (4) Other.

(v) In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules-Freight and the appropriate amount due as a result thereof

is received by Lessor, the damaged or destroyed Car will be removed from the coverage of this Agreement as of the date that payment of car hire payments ceased.

Except as expressly modified by this Amendment Number One, all terms, provisions and conditions of the Agreement remain in full force and effect.

EAST CAMDEN & HIGHLAND
RAILROAD COMPANY

BY: *Don E. Ghent*

TITLE: Exec. Vice-President

DATE: September 12, 1979

ITEL CORPORATION
RAIL DIVISION

BY: *Carl P. Taylor*

TITLE: President

DATE: 10/9/79

STATE OF ARKANSAS)
COUNTY OF OUACHITA)

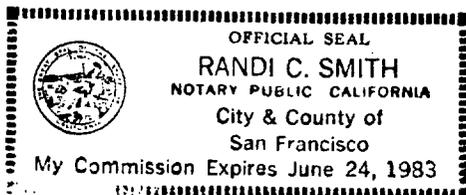
On this 12th day of September, 1979, before me personally appeared Don E. Ghent, to me personally known, who being by me duly sworn says that such person is Exec. Vice-President of EAST CAMDEN AND HIGHLAND RAILROAD CO, that the foregoing Amendment was signed on behalf of said corporation by authority 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.

MY COMMISSION EXPIRES 11-15-80

Suzuki G. Warren
Notary Public

STATE OF California)
COUNTY OF San Francisco)

On this 9 day of October, 1979, before me personally appeared Sam N Taylor, to me personally known, who being by me duly sworn says that such person is President of Dell Corporation Paul Division, that the foregoing Amendment 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.



Randi C. Smith
Notary Public

AMENDMENT

AMENDMENT NUMBER 1 (the "Amendment") dated as of September 26, 1979, between ITEL CORPORATION, a Delaware corporation, acting through its Rail Division ("Itel Rail") as Lessor and EAST CAMDEN AND HIGHLAND RAILROAD COMPANY, an Arkansas corporation ("Lessee") as Lessee.

W I T N E S S E T H:

WHEREAS, Itel Rail and Lessee are parties to a lease dated as of the 26th day of April, 1978 (the "Lease") pursuant to which a number of boxcars described therein have been delivered by Itel Rail to Lessee;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree to amend the Lease as follows:

1. All terms defined in the Lease shall have defined meanings when used in the Amendment.
2. Equipment Schedule Nos. 1, 2 and 3 to the Lease shall be deleted in their entirety and replaced with Equipment Schedule Nos. 1A, 2A, 3A, 4, 5, 6, 7 and 8 respectively. The Lease shall for all purposes and in all respects be construed as though Equipment Schedule Nos. 1A, 2A, 3A, 4, 5, 6, 7 and 8 had been annexed thereto at all times in place of Equipment Schedule Nos. 1, 2 and 3.

3. Section 2A is hereby amended by the addition thereto of the following provision:

"Provided always that the Initial Lease Term may be caused to commence as to any Car or Cars or an Equipment Schedule thirty (30) days after receipt of a written or telexed notice from Itel Rail to that effect and specifying such Car or Cars. The Initial Lease Term shall commence as to the remainder of the Cars on the said Equipment Schedule on the date when all the Cars forming the said remainder have been delivered."

6. Except as expressly modified by this Amendment, all the terms and provisions of the Agreement shall remain in full force and effect.
7. This Amendment may be executed by the parties hereto in any number of counterparts, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL CORPORATION, RAIL DIVISION

EAST CAMDEN AND HIGHLAND
RAILROAD COMPANY

BY: _____

Carl M. Lyle

BY: _____

Don E. Ghent

TITLE: _____

President

TITLE: Executive Vice President

DATE: _____

October 9, 1979

DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. IA

Itel Corporation, Rail Division hereby leases the following Cars to East Camden and Highland Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions Inside			Doors Width	No. of Cars
			Length	Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 2001-2200	50' 6"	9' 6"	10' 5"	12' Plug	200

ITEL CORPORATION, RAIL DIVISION

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

BY: Carl P. Lyle

BY: Don E. Gent

TITLE: President

TITLE: Executive Vice President

DATE: October 9, 1979

DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. 2A

Itel Corporation, Rail Division hereby leases the following Cars to East Camden and Highland Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions Inside			Doors Width	No. of Cars
			Length	Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 2201-2350	50' 6"	9' 6"	10' 5"	12' Plug	150

ITEL CORPORATION, RAIL DIVISION

BY: Carl McLaugh

TITLE: President

DATE: October 9, 1979

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

BY: Don E. Ghent

TITLE: Executive Vice President

DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. 3A

Itel Corporation, Rail Division hereby leases the following Cars to East
Camden and Highland Railroad Company subject to
the terms and conditions of that certain Lease Agreement dated as of _____
April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions			Doors Width	No. of Cars
			Length	Inside Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 2351-2500	50' 6"	9' 6"	10' 5"	12' Plug	150

ITEL CORPORATION, RAIL DIVISION

BY: Carl M. Layh

TITLE: President

DATE: October 9, 1979

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

BY: Norman E. Gent

TITLE: Executive Vice President

DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. 4

Itel Corporation, Rail Division hereby leases the following Cars to East Camden and Highland Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions			Doors Width	No. of Cars
			Length	Inside Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 2501-2700	50' 6"	9' 6"	10' 5"	12' Plug	200

ITEL CORPORATION, RAIL DIVISION

BY: Carl M. Layh
 TITLE: President
 DATE: October 9, 1979

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

BY: Don E. Hunt
 TITLE: Executive Vice President
 DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. 5

Itel Corporation, Rail Division hereby leases the following Cars to East Camden and Highland Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions Inside			Doors Width	No. of Cars
			Length	Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 2701-3050	50' 6"	9' 6"	10' 5"	12' Plug	350

ITEL CORPORATION, RAIL DIVISION

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

BY: Carl P. Layl

BY: Don E. Gent

TITLE: President

TITLE: Executive Vice President

DATE: October 9, 1979

DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. 6

Itel Corporation, Rail Division hereby leases the following Cars to East Camden and Highland Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions Inside			Doors Width	No. of Cars
			Length	Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 3051-3200	50' 6"	9' 6"	10' 5"	12' Plug	150

ITEL CORPORATION, RAIL DIVISION

BY: Carl M. Taylor

TITLE: President

DATE: October 9, 1979

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

BY: Don E. Ghent

TITLE: Executive Vice President

DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. 7

IteI Corporation, Rail Division hereby leases the following Cars to East Camden and Highland Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions Inside			Doors Width	No. of Cars
			Length	Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 3201-3350	50' 6"	9' 6"	10' 5"	12' Plug	150

ITEL CORPORATION, RAIL DIVISION

BY: Carl P. Lough

TITLE: President

DATE: October 9, 1979

EAST CAMDEN AND HIGHLAND RAILROAD COMPANY

BY: Don E. Hunt

TITLE: Executive Vice President

DATE: Sept. 26, 1979

EQUIPMENT SCHEDULE NO. 8

Itel Corporation, Rail Division hereby leases the following Cars to East
Camden and Highland Railroad Company subject to
the terms and conditions of that certain Lease Agreement dated as of _____
April 26, 1978.

A.A.R. Mech. Desig.	Description	Numbers	Dimensions Inside			Doors Width	No. of Cars
			Length	Width	Height		
XM	50' General Purpose Boxcar, Plate C, End of Car Cushioning Nailable Steel Floors	EACH 3351- 3500	50' 6"	9' 6"	10' 5"	12' Plug	150

ITEL CORPORATION, RAIL DIVISION

BY: Carl H. Taylor

TITLE: President

DATE: October 9, 1979

EAST CAMDEN AND HIGHLAND
RAILROAD COMPANY.

BY: Don E. Ghent

TITLE: Executive Vice President

DATE: Sept. 26, 1979

STATE OF ARKANSAS)
COUNTY OF OUACHITA)

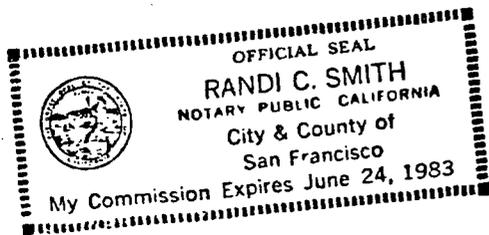
On this 26th day of September, 1979, before me personally appeared Don E. Ghent, to me personally known, who being by me duly sworn says that such person is Exec. Vice-President of EAST CAMDEN AND HIGHLAND RAILROAD CO, that the foregoing Amendment Number 1 and Equipment Schedule Nos. 1A, 2A, 3A, 4, 5, 6, 7 and 8 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.

MY COMMISSION EXPIRES 11-15-80

Sarah L. Warren
Notary Public

STATE OF CALIFORNIA)
COUNTY OF SAN FRANCISCO)

On this 9th day of October, 1979, before me personally appeared Carl N. Taylor, to me personally known, who being by me duly sworn says that such person is President of Intel Corporation, Rail Division, that the foregoing Amendment Number 1 and Equipment Schedule Nos. 1A, 2A, 3A, 4, 5, 6, 7 and 8 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.



Randi C. Smith
Notary Public