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10761  
RECORDATION NO. .... Filed 1425

10761/A  
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AUG 23 1979 -12 45 PM

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INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

August 20, 1979

540 MADISON AVENUE  
NEW YORK, N. Y. 10022  
TEL: (212) 838-6670  
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CABLE: "GLEEWIN"

Office of the Secretary  
Recordation Office  
Interstate Commerce Commission  
Twelfth and Constitution Avenue, N.W.  
Washington, D.C. 20423

9 233A061  
No.  
Date AUG 23 1979  
Fee \$ 100.00

Re: Recordation and Filing of  
Documents pertaining to 64 Special  
Purpose Boxcars Class "XF" bearing  
Hutchinson and Northern Railway Company  
(H&N) Markings HN 5000 to HN 5063,  
inclusive.

Dear Sir:

In accordance with the provisions and procedures of Section 11303 of the Revised Interstate Commerce Act, 49 U.S.C. §11303, and Part 1116 of Title 49 of the Code of Federal Regulations, it is hereby respectfully requested that the documents enclosed with this letter of transmittal, and more fully described herein below, pertaining to the granting of a security interest in and assignment of a lease of the Equipment, be recorded and filed by the Interstate Commerce Commission (the "Commission") pursuant to Section 116.5 of said Title 49 of the Code of Federal Regulations.

A. Description of the Documents and the Parties Thereto

Enclosed herein are four sets of each of the following documents, one of which is to be recorded and filed in the order listed below. We respectfully request that the three additional copies be stamped by your office and returned to us in the post-paid envelope provided.

(1) "Lease Agreement" between Atlantic & Western Financial Corporation ("A&W") and H&N dated May 10, 1979 (the "Lease").

(2) Chattel Mortgage, Assignment, and Security Agreement between A&W and Marine Midland Bank (the "Bank") dated August 9, 1979. Four originals of this document are provided.

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Office of the Secretary  
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Commerce Commission  
Page 2

August 20, 1979

B. The Transaction

On May 10, 1979, A&W leased the Equipment to H&N pursuant to the Lease (Document 1). A&W, in connection with a borrowing under a Loan Agreement dated as of January 8, 1979 which Loan Agreement was amended as of August 9, 1979, by and between A&W and the Bank, entered into a Chattel Mortgage, Assignment and Security Agreement granting the Bank a security interest in and, assigning the Lease (Document 2). It is anticipated that H&N will enter into an Agreement of Subordination in connection with the Chattel Mortgage, Assignment and Security Agreement which shall be recorded subsequent hereto.

C. Procedural Matter

It is hereby respectfully requested that each of the following names be inserted in the Commission Index established pursuant to Section 116.5(c) of Title 49 of the Code of Federal Regulations.

- (1) Marine Midland Bank
- (2) Atlantic & Western Financial Corporation
- (3) Hutchinson and Northern Railway Company

It is also respectfully requested that the Recordation Numbers assigned to the enclosed documents be noted in the Commission index under the name of each of the parties shown above.

A check in the amount of \$100.00 has been enclosed with this letter of transmittal to cover the recordation fee prescribed by Section 116.3(d) of Title 49 of the Code of Federal Regulations.

Kindly stamp the enclosed copy of this letter of transmittal and return such copy and the extra original documents enclosed herewith to the undersigned in the envelope provided.

If there are any questions with respect to the enclosed or the transactions described therein, please feel free to telephone Melvin S. Slade of this office, or the undersigned, collect.

Very truly yours,

  
Frank J. Hariton

FJH:ig  
Enc.

LEASE AGREEMENT

RECORDATION NO. ....

10761-A  
Filed 1425

AUG 23 1979 - 12 45 PM

INTERSTATE COMMERCE COMMISSION

THIS LEASE AGREEMENT is made this 10th day of May, 1979, between ATLANTIC & WESTERN FINANCIAL CORPORATION (hereafter AWF), a Delaware corporation, as Lessor, and the HUTCHINSON AND NORTHERN RAILWAY COMPANY (hereafter HN), a Kansas corporation, as Lessee.

1. Scope of Agreement

A. AWF agrees to lease to HN, and HN agrees to lease from AWF freight cars as set out in Exhibit A to this Agreement or any amendments to Exhibit A which when signed by both parties shall be a part of this Agreement. The items of equipment set out in Exhibit A or amendment thereto are hereinafter referred to collectively as the Cars.

B. It is the intent of the parties to this Agreement that AWF shall be and remain at all times the Lessor of all Cars herein.

2. Term

A. This Agreement shall be for a period of fifteen (15) years commencing upon the date when all Cars on Exhibit A, or amendment thereto, have been delivered as set out in Section 3.

B. AWF shall have the right to cancel this Agreement upon ninety (90) days written notice to HN in the event car utilization does not meet the expectations of AWF. In the event of such cancellation AWF shall have the right to possession of all Cars heretofore leased to HN under the terms of this Agreement, and AWF shall have the option to enter the premises owned, or under the control of, HN where said Cars are located for the purpose of taking possession of said Cars.

3. Delivery

The Cars shall be considered as delivered to HN when AWF accepts delivery at Laredo, Texas, USA. The Cars will then be moved to HN's line at no cost to HN as is consistent with mutual convenience and economy.

4. Agent

AWF shall act as HN's agent in handling car registration, maintenance and record keeping functions involving the Cars including but not limited to AAR Billing and Car hire. Correspondence from railroads using or repairing such Cars shall be addressed to HN at such address as AWF shall select.

5. Maintenance and Taxes

AWF shall be responsible for all costs, expenses, fees and charges incurred in connection with the use of the Cars except that in the event any car is damaged or destroyed after delivery to HN its repair or replacement shall be the responsibility of HN pursuant, where applicable, to the Association of American Railroads Interchange Rules.

6. Lease Rental

The rental charges payable to AWF by HN shall be paid from the payments received by HN in the following order: (1) incentive car hire payments; (2) straight car hire payments; (3) mileage charges; and (4) other. Rental shall be the sum of the payments received less \$2.00 per car per day while the Cars are off line of HN and in service subject to the Association of American Railroads Car Hire and Car Service Rules. In the event that the car hire rates in effect as of the date of this Agreement change, the amount of the payments being retained by HN shall change by the same percentage unless such change is due only to maintenance cost increases.

In witness whereof, AWF and HN have duly executed this Agreement as of the day and year first above written.

ATLANTIC & WESTERN FINANCIAL CORPORATION

By: W. B. Spyer

President

Attest:

O. Tracy Park <sup>TM</sup>

Secretary

HUTCHINSON AND NORTHERN RAILWAY COMPANY

By: Jan A. Rhine

Vice-President

Attest:

Henry L. Anderson

Assistant Secretary

NORTH CAROLINA

LEE COUNTY

I, Virginia Harrington, a notary public, do hereby certify that O. Tracy Parks, III, personally came before me this day and acknowledged that he is the Secretary of Atlantic & Western Financial Corporation, a Delaware corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its corporate name by its President, sealed with the corporate seal, and attested by him as its Secretary.

Witness my hand and notarial seal this 10th day of May, 1979.

Virginia Harrington  
Notary Public

My Commission Expires:

November 21, 1979

KANSAS

RENO COUNTY

I, H. T. Lasater, a notary public, do hereby certify that Larry R. Anderson, personally came before me this day and acknowledged that he is Assistant Secretary of Hutchinson and Northern Railway Company, a Kansas corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its corporate name by its Vice President, sealed with the corporate seal, and attested by him as its Assistant Secretary.

Witness my hand and notarial seal this 10th day of May, 1979.

H. T. Lasater  
Notary Public

My Commission Expires:

September 28, 1980



H. T. LASATER  
STATE NOTARY PUBLIC  
Reno County, Kansas

EXHIBIT A

(AWF-HN LEASE DATED MAY 10, 1979)

64, 50'6", 70 ton XF box cars with 10' sliding doors

Interior equipment - none

Special lining white epoxy paint

Permitted loading use - food products, non-corrosives

Recording numbers and marks - HN 5000-5063

LEASE AGREEMENT

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INTERSTATE COMMERCE COMMISSION

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In witness whereof, AWF and HN have duly executed this Agreement as of the day and year first above written.

ATLANTIC & WESTERN FINANCIAL CORPORATION

By: W. B. Long

President

Attest:

O. Tracy Parker, <sup>TM</sup>

Secretary

HUTCHINSON AND NORTHERN RAILWAY COMPANY

By: Jan J. Rhine

Vice - President

Attest:

Henry L. Anderson

Assistant Secretary

NORTH CAROLINA

LEE COUNTY

I, Virginia Harrington, a notary public, do hereby certify that O. Tracy Parks, III, personally came before me this day and acknowledged that he is the Secretary of Atlantic & Western Financial Corporation, a Delaware corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its corporate name by its President, sealed with the corporate seal, and attested by him as its Secretary.

Witness my hand and notarial seal this 10th day of May, 1979.

Virginia Harrington  
Notary Public

My Commission Expires:  
November 21, 1979

KANSAS

RENO COUNTY

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Witness my hand and notarial seal this 10th day of May, 1979.

H. T. Lasater  
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H. T. LASATER  
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