

ITEL

1 5825
RECORDATION NO. FROM TSE

Itel Rail Corporation

September 8, 1988

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

SEP 15 1988 - 3 03 PM

INTERSTATE COMMERCE COMMISSION

Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Date 9/15/88
Fee \$ 13
ICC Washington, D. C.

Re: Schedule No. 1 to Master Lease Agreement dated August 25, 1988, among Itel Rail Corporation, Itel Railcar Corporation and Texas South-Eastern Railroad Company

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Schedule No. 1 under the Master Lease Agreement dated August 25, 1988, among Itel Rail Corporation, Itel Railcar Corporation and Texas South-Eastern Railroad Company, which is being filed with the ICC simultaneously this date.

The parties to the aforementioned instrument are listed below:

Itel Rail Corporation and
Itel Railcar Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

Texas South-Eastern Railroad Company (Lessee)
P. O. Box 366
Diboll, Texas 75941

This Schedule adds to the Master Lease Agreement twenty (20) 73' centerbeam flatcars bearing reporting marks TSE 6001-6020.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

patricia schumacker

Patricia Schumacker
Legal Department

SEP 15 1988-3 05 PM

SCHEDULE NO. 1 TO MASTER LEASE DATED AS OF August 25, 1988

THIS SCHEDULE 1 ("Schedule") to that certain Lease Agreement, (the "Agreement") made as of August 25, 1988 between ITEL RAIL CORPORATION and ITEL RAILCAR CORPORATION, severally, as lessors, and TEXAS SOUTH-EASTERN RAILROAD COMPANY, as lessee ("Lessee") is made this 25th day of August, 1988, between ITEL RAIL CORPORATION ("Lessor") and Lessee.

Lessor and Lessee agree as follows:

1. All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 1, except the term "Car(s)" when used in this Schedule shall refer only to the Cars described in this Schedule unless otherwise specified.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule:

AAR Mech Desig	Description	Numbers	Inside Length	Dimensions Over Riser	Clear Loading Height	Doors Width	No. of Cars
FBS	73' centerbeam flatcars	TSE <u>6001-</u> <u>6020</u>	73'0"	4'2-1/2"	11'2-1/2"	N/A	20

3. The term of the Agreement with respect to each Car described in this Schedule shall commence at 12 noon on the date such Car is Delivered (as defined in Subsection 4 hereinbelow) pursuant to Subsection 3.A. and shall continue as to all of the Cars described in this Schedule for ten (10) years from the earlier of (i) the date on which the last Car described in this Schedule was Delivered or (ii) sixty (60) days from the date the first Car described in this Schedule was delivered to Lessee's lines (the "Initial Term"). Upon the delivery of the final Car, Lessor shall notify Lessee in writing of the expiration date of the Agreement with respect to the Cars described in this Schedule. Unless Lessee, within fifteen (15) days of such notice, demonstrates to the satisfaction of Lessor that such date is incorrect, then Lessee shall be deemed to have concurred to such date.
4. Lessor shall inspect each Car tendered by the manufacturer for delivery to Lessee. If the Car conforms to the specifications of the equipment ordered by Lessor, and to all applicable governmental regulatory specifications, Lessor shall accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. Each Car shall be deemed delivered to Lessee and subject to the terms of this Agreement upon acceptance by Lessor ("Delivered"). When a Car has been remarked, it shall be moved to Lessee's railroad line at no cost to Lessee at the earliest time that is consistent with the mutual convenience and economy of the parties, unless Lessee notifies Lessor in writing to have the Cars revenue billed, at Lessee's expense, directly to Lessee's lines. Lessee agrees to pay the rent set forth in

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF, AND THE EQUIPMENT LEASED HEREUNDER IS OWNED BY, THE CIT GROUP/EQUIPMENT FINANCING, INC. ("CIT") AND IS LEASED TO LESSOR UNDER THE MASTER RAILROAD EQUIPMENT LEASE BETWEEN CIT AND ITEL RAIL CORPORATION DATED AS OF AUGUST 30, 1988.

the Agreement notwithstanding the fact that Lessee may not have immediate physical possession of the Cars leased hereunder. In order to move the Cars to Lessee's railroad line and to ensure optimal use of the Cars, Lessor agrees to assist Lessee in monitoring Car movements and, when deemed necessary by Lessee and Lessor, to assist in the issuance of movement orders to facilitate the movement of the Cars to other railroad lines in accordance with the Interstate Commerce Commission ("ICC") and the Interchange Rules.

5. Lessor consents to an Assignment Agreement ("Assignment Agreement") between Lessee and Sabine River and Northern Railroad Company ("SRN") in the form of Exhibit A attached hereto with respect to the ten (10) Cars listed in the Assignment Agreement ("Assigned Cars"); provided that Lessee shall exercise any option to terminate, extend, renegotiate the Assignment Agreement or any other options upon Lessor's instruction or consent, shall not exercise any such options without Lessor's consent, and shall promptly inform Lessor of the existence of the option, any events allowing exercise of such option, and all pertinent facts within a reasonable time before any such options may be exercised.
6. With respect to the Cars described in this Schedule, the words "similar equipment" in Subsection 3.B. of the Agreement shall mean similar FBS equipment.
7.
 - A. Lessee shall perform the registration and record keeping required for the Cars described in this Schedule, as described in Section 4 of the Agreement. Lessee shall register each Car in UMLER placing the letters SSIX in owner's field in such a manner that Lessor, or its agent, is allowed access to any required information including but not limited to Train 62 Junction Advices and the Train II (65, 67, 71 and 80) Location Advices with regard to each Car. If Lessee fails to register or improperly registers any Car in UMLER, Lessee shall be responsible for an amount equal to the revenues that would have been earned by such Car had it been properly registered in UMLER.
 - B. Lessee shall submit to Lessor a monthly report in complete AAR format for all sums due to Lessee from Lessor for such calendar month with respect to the maintenance of the Cars, including sums due for maintenance performed by third parties and for maintenance performed by Lessee. Lessor shall pay to Lessee all sums due pursuant to this Subsection within thirty (30) days after receipt of such monthly maintenance report and bill.
8. Lessor shall perform or cause to be performed and shall pay all costs and expenses associated with the maintenance of the Cars described in this Schedule, except as set forth in Section 5 of the Agreement, and except for the maintenance of and costs associated with all lading devices, which shall be performed at Lessee's direction and sole cost. With respect to the Cars listed in this Schedule, Exhibit B attached hereto describes the running repairs Lessee is permitted to make under Subsection 5.B.(i) of the Agreement. Subsection 5.A. of the Agreement shall not apply with respect to such Cars.

9. Lessor agrees to reimburse Lessee, within thirty (30) days of Lessor's receipt of the receipted copy of the paid tax bill, for all taxes actually paid in cash by Lessee resulting from: 1) ad valorem tax assessments on the Cars; and 2) any assessment, levy or impost relating to any Car, the Agreement, or the delivery of the Cars, which remained unpaid as of the date of the delivery of the Cars to Lessee or which is assessed, levied or imposed during the term of the Agreement, except taxes on income or gross receipts imposed on Lessee or sales or use tax imposed on mileage charges, car hire revenue, or the proceeds of the sale or lease of the Cars. Lessor and Lessee will comply with all state and local laws requiring filing of ad valorem returns associated with the Cars. Notwithstanding any portion of this Section, Lessor shall not be responsible for penalty or interest assessments resulting from Lessee's failure to comply with any regulation or statute of any taxing or assessing authority. Lessee shall forward to Lessor upon receipt all correspondence, notifications of proposed tax assessments and tax bills associated with any tax reimbursable by Lessor. Lessor may, in good faith and by appropriate proceedings, contest any assessment, notification of assessment or tax bill. Lessor shall assume full responsibility for all expenses, including legal fees, resulting from such contest.

10. Rent

A. Definitions

- (i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the date this Schedule is executed by the parties ("Execution Date"), and with respect to the Assigned Cars only, the railroad lines owned and operated by SRN as of the Execution Date. Unless otherwise agreed by the parties in writing, any lines purchased by Lessee or added to the Eligible Lines during the Initial Term or any Extended Term are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined in Subsection 9.A.(iii) hereinbelow).
- (ii) "Revenues Rates" is defined as the hourly and mileage car hire rates specified for each Car in the Hourly and Mileage Car Hire Rate Table published in the April 1988 edition of The Official Railway Equipment Register, as may be updated from time to time.
- (iii) "Per Diem Revenues" is defined as the total per diem revenues, calculated at the Revenue Rates, that are earned or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to, per diem, whether or not collected and received by Lessor, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.
- (iv) "Mileage Revenues" is defined as the total mileage revenues, calculated at the Revenue Rates, that are earned or due for the use and handling of the Cars on all railroad lines other

than the Eligible Lines, including, but not limited to, mileage, whether or not collected and received by Lessor, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.

(v) "Revenues" is defined as the sum of Per Diem Revenues and Mileage Revenues.

(vi) The "Base Rent" is defined as _____ per calendar quarter. (Such amount approximates the Per Diem Revenues which the Cars would have earned in the aggregate if the Cars had been on railroad lines other than Eligible Lines for _____ of the hours that such Cars were subject to the Agreement during such calendar quarter. The Base Rent for any Car which is not subject to the Agreement for an entire calendar quarter shall be prorated at _____ per day for such Car during such calendar quarter.

(vii) "Initial Loading" of a Car shall be the earlier to occur of either: 1) the date such Car shall have been loaded off Lessee's railroad line with the first load of freight; or 2) the thirty-first (31st) day after such Car is first received on Lessee's lines.

B. Lessor shall receive all Revenues earned by each Car prior to its Initial Loading.

C. Lessee agrees to pay rent to Lessor for the Cars calculated as follows:

(i) In the event Per Diem Revenues earned in any calendar quarter or applicable portion thereof are equal to or less than the Base Rent, Lessor shall retain a sum equal to one hundred percent (100%) of the total Per Diem Revenues.

(ii) In the event Per Diem Revenues earned in any calendar quarter or applicable portion thereof exceed the Base Rent, Lessor shall retain an amount equal to the Base Rent and Lessee shall receive all Per Diem Revenues received in excess of the Base Rent.

(iii)

D. (1) In the event that as a result of any action or inaction by Lessee, Lessor shall receive or earn for the use of any Cars, Revenues calculated at hourly or mileage car hire rates that are lower in amount than those specified in Subsection 9.A. (ii), Lessee shall pay to Lessor, within ten (10) days of Lessor's request, an amount equal to the difference between the Revenues such Cars would have earned at the Revenue Rates and the amount of revenues actually received or earned for such Cars.

- (ii) Should any abatement, reduction or offset occur as a result of any action or inaction of Lessee, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor the amount of such abatement, reduction or offset.
- (iii) If, at any time during the Agreement, Lessee operates lines other than the Eligible Lines, Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Lessee.
- E. The calculations required in Section 10 shall be made within three (3) months of the end of each calendar year ("Final Calculations"). Lessee shall pay to Lessor by the sixtieth (60th) day after the end of each Service Month (as hereinafter defined), eighty percent (80%) of the total Revenues for that Service Month. For the purposes hereof, "Service Month" shall be defined as the calendar month in which Revenues were actually earned. At the time payment of eighty percent (80%) of the total Revenues is made to Lessor, Lessee shall report to Lessor for the same month the hours earned, miles traveled and dollar figure for one hundred percent (100%) of the Per Diem Revenues and Mileage Revenues. Ten percent (10%) of the Revenues shall be remitted to Lessor within ninety (90) days after the end of each Service Month and the remaining ten percent (10%) of the total Revenues shall be remitted to Lessor within one hundred twenty (120) days after the end of each Service Month. Lessor shall within three (3) months of the end of each calendar quarter, calculate on a quarterly year-to-date basis, the approximate amount, if any, due either party pursuant to this Section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculations, provided, however, that within twenty (20) days following the Final Calculation, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.
- F. If, with respect to any calendar quarter or quarters, the Revenues received by Lessor for the Cars on this Schedule are less than _____ per calendar quarter, Lessor may, at any time, at its option and upon not less than ten (10) days prior written notice to Lessee, terminate the Agreement as to such Cars as Lessor shall determine.
- G. If any Car has remained on Lessee's property because Lessee has not given preference to the Car as specified in Subsection 3.B. of the Agreement, Lessee shall be liable for and remit to Lessor an amount equal to the revenues which would have been generated if such Car had been in the physical possession and use of a railroad for the entire period during which such Car is on Lessee's property.
- H. Any agreement between the Lessee and any other party with respect to the Cars ("Third Party Agreement") shall be null and void without Lessor's prior written approval if such Third Party Agreement affect the Revenues earned by the Cars.

11. A. Lessee agrees to defend, indemnify and hold Lessor harmless from any and all claims, losses, damages, liabilities, costs, and expenses (including attorney's fees) with respect to, caused by, or arising out of the Cars (collectively, "Damages") which are occasioned by the fault of Lessee, occur while the Cars are in Lessee's possession or control, or would be the "handling carrier's" responsibility under the Interchange Rules, as if the Cars were not bearing Lessee's reporting marks, unless such Damages directly result from defects or workmanship to the original parts of the Car or from a Car not meeting the AAR or FRA specifications in effect at the time such Car was built.
- B. Except as provided in Subsection 11.A. above, and except for those claims, losses, damages, liabilities and expenses for which Lessee shall be responsible as set forth in this Agreement, Lessor shall defend, indemnify and hold Lessee harmless from any and all loss, damage or destruction of or to the Cars, ordinary wear and tear excepted.

The indemnities and assumptions of liability contained in this Agreement shall survive the expiration or termination of the Agreement.

12. Upon the expiration or termination of the Agreement with respect to any Car(s) in this Schedule, Lessee shall surrender possession of said Car(s) to Lessor pursuant to Section 12 of the Agreement and shall promptly return said Car(s) to Lessor as follows:
- A. If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to said tracks subsequent to the time of expiration of this Agreement as to the Cars. Lessee shall, at Lessor's option, provide up to one hundred twenty (120) days free storage on its railroad tracks for any Car which is either on Lessee's railroad tracks at expiration or is subsequently returned to Lessee's railroad tracks. Said one hundred twenty (120) days shall run either from expiration or from the date such Car is returned to Lessee's railroad line subsequent to expiration, which date is later. If requested to do so by Lessor, Lessee shall, at Lessor's option, either move a remarked Car to an interchange point on Lessee's lines selected by Lessor or use its best efforts to load the remarked Car with freight and deliver it to a connecting carrier for shipment.
- B. Lessee shall bear the costs associated with remarking each Car at a facility selected by Lessor. Remarking shall include the following: a) removal of existing mandatory markings and all company logos of Lessee; b) complete cleaning of the area where new marks are to be placed as designated by Lessor; c) application of new mandatory markings; and d) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.
13. Except as expressly modified by this or any other Schedule, all terms and provisions of the Agreement shall remain in full force and effect with respect to all Cars subject to the Agreement.

14. This Schedule may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

ITEL RAIL CORPORATION

TEXAS SOUTH-EASTERN RAILROAD COMPANY

By: 

By: 

Title: President

Title: Vice President & General Manager

Date: August 25, 1988

Date: August 22, 1988

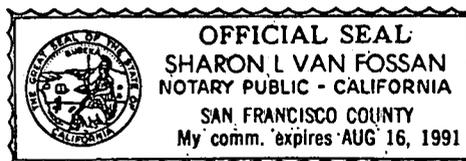
EXHIBIT B
Running Repairs; Centerbeam Flatcars

Angle Cocks	Wheels
Air Hose	Yokes
Train Line	Knuckles/Pins
Operating Levers and Brackets	Slack Adjuster
Sill Steps	Couplers
Grab Irons	Draft Gears
Brake Shoes	Coupler Carriers
Brake Shoe Keys	Center Plates (Not Replacement)
Brake Connecting Pin	Cotter Keys
Brake Head Wear Plates	Roller Bearing Adapters
Air Brakes	Air Hose Supports
Hand Brakes	
Brake Beams and Levers	
Truck Springs	

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 25th day of August, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Schedule No. 1 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 of corporation.

Sharon L. Van Fossan
Notary Public



STATE OF TEXAS)
) ss:
COUNTY OF ANGELINA)

On this 22nd day of August, 1988, before me personally appeared C. H. Foster, to me personally known, who being by me duly sworn says that such person is Vice Pres & Gen Mgr of Texas South-Eastern Railroad Company that the foregoing Schedule No. 1 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 of corporation.

J. B. Durham
Notary Public

J. B. Durham
My Commission expires March 17, 1992

8/12/88

Exhibit A

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is made and entered into as of this ____ day of _____, 1988, between TEXAS SOUTH-EASTERN RAILROAD COMPANY ("Assignor") and SABINE RIVER AND NORTHERN RAILROAD COMPANY ("Assignee").

Assignor and Assignee agree as follows:

1. Assignor shall supply Assignee with ten (10), 73' centerbeam flatcars bearing the reporting marks TSE _____ (the "Cars"). Upon Assignor's instruction, and not without Assignor's instruction, Assignee shall place the Cars into an assignment pool on Assignee's railroad lines as provided for in Car Service Rule 16 and under the provisions of Car Service Directive 145 of the Code of Car Service Rules, AAR Circular No. OT-10.
2.
 - a. The term ("Term") of this Assignment Agreement, with respect to each Car, shall commence on the day that such Car is first interchanged onto Assignee's lines after the full execution of this Assignment Agreement ("Delivery") and shall expire as to all the Cars ten (10) years from the earlier of (i) the date of Delivery of the last Car or (ii) sixty (60) days from the date of Delivery of the first Car.
 - b. Upon the Delivery of the final Car, Assignor shall issue to Assignee a fully-executed Certificate of Delivery in the form of Exhibit A hereto that shall contain the expiration date of the Assignment Agreement with respect to all the Cars as determined by Assignor. Unless, within fifteen (15) days of the date of such Certificate of Delivery, Assignee demonstrates to the reasonable satisfaction of Assignor that such expiration date is incorrect, Assignee shall be deemed to have concurred with such expiration date.
3. Assignee shall comply with the handling carrier's obligations under AAR Interchange Rules while the Cars are in Assignee's possession.
4. Assignee shall load the Cars prior to loading any equipment capable of transporting the same product as the Cars leased by or assigned to Assignee from other parties subsequent to the date of this Assignment Agreement, purchased by Assignee subsequent to the date of this Assignment Agreement, or interchanged from other railroads. Assignee shall use its best efforts to maximize the off-line utilization of such Cars. If any Car remains on Assignee's lines because Assignee has not given preference to the Cars as specified in the preceding sentence, Assignee shall be liable for and remit to Assignor an amount equal to the revenues which would have been generated if such Car had been in the physical possession and use of another railroad for the entire period during which such Car is on Assignee's railroad line.
5. If any Car returns to Assignor's line as a result of Assignee not filing the assignment pool code properly, Assignee shall be responsible for all costs associated with returning such Car to Assignor. Assignor shall use

its best efforts to prevent any Car from being interchanged onto its lines during the term of the Assignment Agreement, including advising Assignor's connecting carrier that the Cars have been placed into an assignment pool on Assignee's lines and that the connecting carrier should not return such Cars to Assignor during the term of the Assignment Agreement.

6. When used in this Assignment Agreement, each of the following terms shall have the definitions indicated:
 - a. "Eligible Lines" is defined as the railroad lines owned and operated by Assignee as of June 1, 1988. Unless otherwise agreed by Assignor and Assignee, any lines purchased by Assignee or added to the Eligible Lines during the term of the Assignment Agreement are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined hereinbelow). If, at any time during the term of the Assignment Agreement, Assignee operates lines other than the Eligible Lines, then Assignee shall supply Assignor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on the other railroad lines operated by Assignee.

7. records to Assignor as requested.

8. If, for any Quarter, total Revenues earned by the Cars are less than or equal to _____, Assignor may elect at any time, at its option and terminate the Agreement as to such Cars as Assignor shall determine.

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

10. Assignor is responsible for normal maintenance and repair expenses except as provided below and except for any transportation costs incurred pursuant to this paragraph, which shall be at Assignee's sole expense. Assignee shall be responsible for and shall pay all costs and expenses of all repair work or other work or materials in the event such maintenance (i) was occasioned by the fault of Assignee; (ii) results from loading, unloading or use other than permitted under this Agreement; (iii) is for the purpose of repairing, replacing or maintaining lading equipment or removable parts; (iv) relates to damage resulting from any commodity or material loaded in any Car; or (v) arises in those instances in which the Interchange Rules would assign responsibility to Assignee for the loss, damage, destruction or liability requiring such Maintenance. Assignee shall promptly notify Assignor of any damage to, defect in, need of repair to, or destruction of any Car. For any damaged Car that requires repairs other than running repairs, car hire (time and mileage) shall be governed by applicable Car Hire and Car Service Rules. In no event shall Assignee place any Car for repair at a private contract repair facility or by a private contractor on the property of Assignee without Assignor's prior approval. Any such repair must be performed under the direction and control of Assignor.

11. Upon termination or expiration of this Assignment Agreement, Assignee shall ensure that the Cars are in the same or as good condition, order and repair as when delivered to Assignee, normal wear excepted, and are free of all accumulations or deposits from commodities transported in or on the Cars while in the service of Assignee. Assignee shall remove the Cars from the provisions of Car Service Rule 16 and Car Service Directive 145, and deliver the Cars to a point on the Eligible Lines to be designated by Assignor. At Assignor's option and Assignee's expense, Assignee shall remark the Cars to bear new reporting marks to be provided by Assignor and use its best efforts to provide final outbound loads for each Car.
12. Assignee's rights shall be subject and subordinate to the rights of Assignor and to the rights of any lessor, any owner or secured party under any financing agreement with respect to the Cars. Accordingly, following notice to Assignee from any such lessor, secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Assignment Agreement), and is continuing under such financing agreement, such party may require either or both that rentals and other sums due hereunder shall be paid directly to such party, and that the Cars immediately be returned to such party.
13. 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, or when transmitted and received by telex addressed as follows:

<p>If to Assignor:</p> <p>Texas South-Eastern Railroad Company c/o ITEL Rail Corporation 55 Francisco, 5th Floor San Francisco, California 94133</p>	<p>If to Assignee:</p> <p>Sabine River and Northern Railroad Company P.O. Box 5000 Orange, Texas 77630</p>
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14. This Assignment Agreement may not be modified, altered, or amended, except by an agreement in writing signed by the parties.
15. This Assignment Agreement may be executed in two counterparts and such counterparts together shall constitute one and the same contract.

TEXAS SOUTH-EASTERN RAILROAD COMPANY

SABINE RIVER AND NORTHERN RAILROAD
 COMPANY

By: 
 Title: Vice President & General Manager
 Date: August 22, 1988

By: _____
 Title: _____
 Date: _____

EXHIBIT A

Certificate of Delivery

Assignment Agreement dated _____, 1988

TSE Reporting
Marks and Numbers

Date Delivered
to Assignee

The Initial Term of the Assignment Agreement dated _____,
1988 between Texas South-Eastern Railroad Company and Sabine River and Northern
Railroad Company shall expire on _____, 1991.

TEXAS SOUTH-EASTERN
RAILROAD COMPANY

By: 

Title: Vice President & General Manager

Date: August 22, 1988