

TCCX CORPORATION

POST OFFICE BOX 16066 HOUSTON, TEXAS 77022 (713) 694-6661

April 21, 1981

Mrs. Mildred Lee
Recordation Unit
Secretary's Office
Interstate Commerce Commission Room 2303
ICC Building
Washington, D.C. 20423

Gentlemen:

Enclosed for recordation under provisions of Section 11303, Title 41 USC, are originals and one copy of a lease dated February 27, 1981, between TCCX Corporation and Granite Rock Company. *Perse* The address of the TCCX Corporation is P.O. Box 16066, Houston 77022 and the address of Granite Rock Company is P.O. Box 151, Watsonville, California. *Perse*

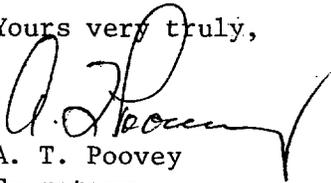
The general description of the railroad equipment covered by the lease is as follows:

25 Greenville Steel Car Company, open top, hopper, steel AAR type
Code H 340 Railroad Cars with Serial Numbers TCCX 01 through TCCX 25.

Please return the original of the enclosed lease to the undersigned at the address shown on this letterhead.

Also enclosed is a remittance in the amount of \$50.00 covering the required recording fee.

Yours very truly,


A. T. Poovey
Secretary

ATP/jv
Enc.

cc: Granite Rock Company
Arthur M. Ribe

RECORDATION NO. 13069 Filed 1425

APR 27 1981 - 10 00 AM

INTERSTATE COMMERCE COMMISSION

No. 1-237A051

Date APR 27 1981

Fee \$ 50.00

ICC Washington, D. C.

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I. C. C.
FEE OPERATION BR.

Interstate Commerce Commission
Washington, D.C. 20423

4/27/81

OFFICE OF THE SECRETARY

A.T. Poovey
Secretary
TCCX Corporation
P.O.Box 16066
Houston, Texas 77022

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 4/27/81 at 10:00am, and assigned re-
recording number(s). **13069**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RAILROAD CAR LEASE AGREEMENT

THIS AGREEMENT, No. 1, is made and entered into February 27, 1981, by and between TCCX Corporation, a Texas corporation with its principal office and place of business in Houston, Texas (herein called "LESSOR") and GRANITE ROCK COMPANY, a California corporation, (herein called "LESSEE"), subject to the conditions attached hereto and incorporated hereunder.

CONDITIONS OF AGREEMENT

1. LEASE AGREEMENT. LESSOR agrees to furnish to LESSEE, and LESSEE agrees to rent from LESSOR, the railroad cars shown on the Rider attached hereto and made a part hereof, and such additional Riders as may be added hereto from time to time by agreement of the parties and signed by their duly authorized representatives.

2. TERM; RENT; RENEWAL. This agreement shall be effective as of the date the cars arrive at Logan, California, which date not to exceed fourteen (14) days from date Southern Pacific Railway picks up cars at Trumix Concrete Company's Gold Street, Houston, Texas Plant or other points of origination and shall expire upon expiration of the rental terms for the last car, or cars, covered hereunder. The rental term for each car shall be as shown in the Rider covering such car. LESSEE agrees to pay LESSOR the monthly rental stated in the Rider until the cars are returned and delivered to LESSOR at the point specified by LESSOR upon expiration of the rental term specified in the Rider applicable to such car. Such rentals shall be paid to LESSOR in Houston, Texas, or such other place as LESSOR may hereafter direct in writing. Bills for rental shall be presented to LESSEE by LESSOR in advance on or about the first day of each calendar month and payment of said rentals shall be made by LESSEE within ten (10) days from date of billing. This Lease Agreement is for a term of one (1) year from the date of beginning and from year to year thereafter unless either party gives the other party sixty (60) days written notice prior to any annual expiration date.

3. USE OF CARS; ADDITIONAL CHARGES BY RAILROAD. LESSEE agrees to use said cars under the following restrictions: (a) The cars will be used and operated at all times in compliance with all lawful acts, rules, regulations and orders issued by the railroads on which the cars are operated, and government agencies. (b) At the expiration or termination of the rental term of the particular Rider applicable to each such car described in such Rider, LESSEE at its expense shall cause said cars to be returned to LESSOR at Trumix Concrete Company's Gold Street Plant, Houston, Texas, or to such other point designated by LESSOR but at no cost to LESSEE greater than the charge for return to Houston, Texas. (c) The cars shall be returned to LESSOR in the same, or as good condition in which they were delivered to LESSEE except for ordinary wear and tear. (d) The cars will not be altered by LESSEE in any way without prior written approval of LESSOR. (e) Mechanical unloading assistance devices, such as a car shaker, shall be operated only for that period of time necessary to dislodge material from the car. Operation beyond the time the material is dislodged from the car shall constitute unnecessary abuse by LESSEE to the car. (f) LESSEE shall notify LESSOR in writing within five (5) days of each change in routing, origin or destination of the car so as to permit LESSOR to monitor individual car movements. This requirement is not to be construed as limiting in any way, movements of the cars other than as set forth in subparagraphs (a) and (h) hereof. (g) The cars are intended for use in carrying aggregate type products, with individual rock segments not to exceed three (3) inches in cross section. The use of these cars for any other purpose is not permitted without prior written approval of LESSOR. (h) The cars will be operated only within the United States of America. LESSEE agrees to use the cars, upon each railroad over which the cars shall move, in accordance with the then prevailing tariffs to which each such railroad shall be a party; and, if the operation or movements of any of the cars during the term hereof shall result in any charges being made against LESSOR by any such Railroad other than for maintenance or repairs, LESSEE shall pay LESSOR for such charges within the period prescribed by and at rates and under the conditions established by said then prevailing tariffs. LESSEE agrees to indemnify LESSOR against same and shall be liable for any switching, demurrage, track storage or detention charge imposed on any of the cars during the term thereof.

RECORDATION NO. 13069
APR 27 1981 - 10 00 AM
INTERSTATE COMMERCE COMMISSION

Initial JTB BRW
LESSOR LESSEE

4. REPAIR, MAINTENANCE AND ABATEMENT OF RENTALS. LESSOR agrees to keep the cars in good operating condition and pay all costs of maintenance which may be necessary while such cars are in LESSEE's possession. LESSOR also agrees to pay for all repairs to the cars, except repairs required due to acts or omissions of LESSEE, its shipper, consignee, agent or sublessee, and repairs occasioned while cars are on a railroad which does not subscribe to, or fails to meet its responsibility under, the Interchange Rules of the AAR, or while on any private siding or track or any private industrial railroad, for all of which repairs, including transportation costs, LESSEE shall pay LESSOR. LESSOR shall make or cause to be made all contractual arrangements for all repairs notwithstanding who is responsible for the costs thereof. LESSOR will permit LESSEE to make repairs when requested by LESSEE so long as such repairs meet AAR Interchange Rules.

LESSEE shall notify LESSOR within three (3) full business days following knowledge of any damage to any of the cars. When damaged cars have been forwarded to a shop for repair or maintenance the excess mileage incurred by deviation from normal routing earned by such car to and from the shop shall be retained by LESSOR. When cars are in a "Bad Order Status" for maintenance or repair, the rental charges on each car shall be suspended pursuant to the provisions of the applicable Rider. Notwithstanding anything to the contrary contained herein or in the Rider, rental charges will be suspended immediately for repairs necessitated by accident damage occasioned when the car is not under control of the LESSEE or its agent; and if any repairs are required as a result of the acts or omissions of LESSEE, its consignee, or shipper, the rental charge shall continue unabated during the rental period.

5. DESTROYED CARS. LESSEE agrees that if by reason of its acts or omissions or those of its consignee, or shipper, or while on a railroad that does not subscribe to or fails to meet its responsibility under the Interchange Rules of the AAR or on any private siding or track or industrial railroad, any car is completely destroyed or in the opinion of LESSOR such car's physical condition is such that it cannot be economically repaired to be operated in railroad service, LESSEE will pay LESSOR in cash the settlement value of such car within ten (10) days following a request by LESSOR for such payment. The term "settlement value" as used herein shall mean the valuation of such cars as provided for by Rule 107, as presently promulgated or hereafter amended, of the Interchange Rules of the AAR. LESSOR shall retain ownership of the car if it rebuilds the car. Otherwise, the title to destroyed cars shall be transferred by LESSOR to LESSEE upon payment by LESSEE to LESSOR of the settlement value amount of any such car. If any of the cars shall be completely destroyed, or if the physical condition of any car shall become such that such car cannot economically be repaired to be operated in railroad service as determined by LESSOR then LESSOR at its option may cancel the lease as to such car as of the date on which such event occurred, or may substitute an equivalent car within a reasonable period of time. In the event of such substitution, the substituted car shall be held pursuant to all terms and conditions of this agreement.

6. INDEMNITY. LESSEE will indemnify LESSOR against any loss, damage, claim, expense (including attorney's fees and expenses of litigation) or injury imposed on, incurred by, or asserted against LESSOR arising directly or indirectly out of LESSEE's, its consignee's, or shipper's use, lease, possession or operation of the cars occurring during the term of this Agreement, or by the contents of such cars however occurring, except any loss, liability, claim, damage or expense which is directly attributable to the act or omission of LESSOR, or for which a railroad or railroads have assumed full responsibility and satisfies such responsibility. All indemnities contained in the Agreement shall survive the termination hereof, however same shall occur.

7.. INSURANCE. LESSEE shall, at its own cost and expense, with respect to each car, at all times maintain and furnish LESSOR with evidence of insurance against all risks assumed by LESSEE under paragraph 6 hereof (including, without limitation, physical damage insurance and liability insurance) protecting LESSOR, in such companies, in such amounts, and with such endorsements as LESSOR shall from time to time request. LESSEE's obligation to maintain insurance with respect to each car shall commence on the delivery date of such car and shall continue until the lease term thereof terminates and, if such car is required hereunder to be returned to LESSOR, until such return. LESSEE shall cooperate and, to the extent possible, cause others to cooperate with LESSOR and all companies providing any insurance to LESSEE or LESSOR or both with respect to the cars.

8. DEFAULT. The happening of any of the following events shall be considered an "event of default": (a) Nonpayment of LESSEE within ten (10) days after the same becomes due of any installment of rental. (b) Failure of LESSEE to comply with, or perform, any of the other terms and conditions of this Agreement within ten (10) days after receipt of written notice from LESSOR demanding compliance therewith, or performance thereof. (c) The appointment of a receiver or trustee in bankruptcy for LESSEE or for any of its property and the failure by such receiver or trustee to adopt and assume and agree to perform the obligations of LESSEE hereunder within thirty (30) days after such appointment.

9. REMEDIES. Upon the happening of any of the events of default as heretofore defined, the LESSOR or its assignee may then, or at any time thereafter, take possession of the cars and any accessions thereto wherever same may be, and either: (a) declare the Agreement terminated, in which event all rights of the parties hereunder shall cease except only the obligation of LESSEE to pay accrued rental and other charges to the date of retaking, or: (b) relet the cars as agent of LESSEE, applying the proceeds of such reletting first to the expenses that may be incurred in the retaking and delivery of the cars to the new lessee, then to the payment of the rent and charges due under this Lease. LESSEE shall remain liable for any rents and charges remaining due after so applying the proceeds so realized, and LESSEE agrees to pay said deficit monthly as the same may accrue. LESSEE shall bear all costs involved in LESSOR's retaking the cars, including transportation costs to Houston, Texas.

10. REPORTS; MILEAGE. LESSEE shall collect and provide copies to LESSOR of all data necessary in regards to mileage, per diem and "Bad Order Status". The railroad reports will serve as prima facie evidence of the facts reported therein. LESSOR shall collect all mileage earned by the cars (and except as provided in paragraph 4) remit same to LESSEE by the 10th of the month following month in which collected by LESSOR.

Blw
JBS

11. LIENS; MARKING OF CARS; SUBLEASING. LESSEE shall keep the cars from any encumbrances or liens which may be a cloud upon or otherwise affect LESSOR's title. LESSEE shall keep all cars subject to this lease free of any markings which might be interpreted as a claim of ownership, nor shall LESSEE change the identifying numbers. LESSEE will not sublease said cars or assign any of its rights hereunder, without written consent of LESSOR.

12. TAXES. During the term of this Agreement, LESSEE shall, in addition to the rentals specified, pay all sales, use, rental and excise taxes, personal property taxes, assessment and other governmental charges, whatsoever, whether payable by LESSOR or LESSEE, on or relating to the cars leased hereunder. LESSEE at its own expense may contest the amount or validity of the imposition of the taxes and other charges described in this paragraph. However, LESSEE shall promptly pay such imposition so contested. LESSOR may, at its option and expense, but shall not be required to, join in any such proceedings by counsel of its own choice. In the event LESSEE shall fail promptly to defend or contest any tax or other charge described in this paragraph, LESSOR shall have the right to defend and compromise the same and obtain payment from LESSEE of its reasonable costs and expenses (including reasonable legal fees) incurred in connection therewith, and for any judgements recovered against LESSOR or LESSEE or payments made in settlement.

13. FILING. LESSOR intends to cause this lease to be filed and recorded with the Interstate Commerce Commission with copies to LESSEE, in accordance with Section 11303 of the Interstate Commerce Commission Act. LESSEE shall from time to time do and perform any other act, and execute, acknowledge, deliver, file, and register and record any and all further instruments required by law, or requested by LESSOR, for the purpose of protecting its title and rights, or for the purpose of carrying out the intention of this Agreement, and LESSEE will promptly furnish to LESSOR certificates or other evidence and copies of all such ruling, registering, and recording in form satisfactory to LESSOR. LESSOR shall promptly reimburse LESSEE for any out of pocket expenses it may so incur, having received prior approval from LESSOR.

14. INSPECTION OF CARS; RIGHT OF ENTRY; CAR MODIFICATIONS. Each of the cars shall be subject to LESSEE's inspection before delivery; and the acceptance thereof by LESSEE shall be conclusive evidence (a) of the fit and suitable condition of such car for the purpose of transporting any commodities then and thereafter loaded therein and (b) that it is one of the cars described in the Riders. LESSOR shall have the right to enter the property of LESSEE or its agent, at LESSOR's own cost, and at all reasonable times for the purpose of making car inspections and repairs. LESSOR also has the right to withdraw cars from service for the purpose of making nonsafety related modifications, repairs and/or painting upon five (5) days written notice to LESSEE. Rental payments will be suspended whenever a car is withdrawn from service for such purposes, unless LESSOR substitutes an equivalent car therefor.

15. DISCLAIMER OF WARRANTY. Lessor leases this equipment, as is, in whatever condition it may be, without any agreement, warranty or representation, either express or implied, expressly disclaiming any warranty or representation, either expressed or implied, as to: (a) the fitness for any particular purpose or merchantability of any cars including but not limited to their value, condition, design or operation, (b) the design or condition the quality of the material, equipment or workmanship in the equipment, or (c) any other matter whatsoever, it being agreed that all such risks, as between the LESSOR, and the LESSEE, are to be borne by LESSEE.

16. OWNERSHIP OF CARS; AND QUIET ENJOYMENT. LESSOR warrants and represents that it has the right to lease such cars. LESSOR further warrants and represents that it has full right and power to execute and perform this Agreement and that LESSEE, on payment of the rent and performing the covenants herein contained, shall peaceably and quietly have, hold and enjoy use of the cars leased hereunder during the full term of this Agreement and any extension or renewal thereof.

17. MISCELLANEOUS. It is mutually agreed that the time of payment of rentals is of the essence of this Agreement and, the rights of LESSEE shall remain in full force and effect during the term of this Agreement so long as LESSEE shall continue to perform all the covenants of the Agreement.

Initial  
LESSOR LESSEE

18. NOTICE. All notices provided for herein, as well as all correspondence pertaining to this Agreement shall be considered as properly given if given in writing and delivered personally or sent by registered or certified mail, return receipt requested. The respective addresses for notice shall be the addresses of the parties given in writing at the execution of this Agreement. Such addresses may be changed by either party giving written notice thereof to the other.

19. GOVERNING LAW. The terms of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers and duly attested, as to the date first above written.

(Corporate Seal)

TCCX Corporation, (LESSOR)

ATTEST:

A. J. Poony
Secretary

By Jane B. Bumgardner
President

(Corporate Seal)

GRANITE ROCK COMPANY, (LESSEE)

ATTEST:

John L. Scrips
Secretary

By Bruce G. Woolpert
President

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF HARRIS §

Approved
Arthur Myer
Transportation Consultant

BEFORE ME, the undersigned authority, on this day personally appeared J. B. Bumgardner, President of TCCX Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office, this 6th day of April, 1981.

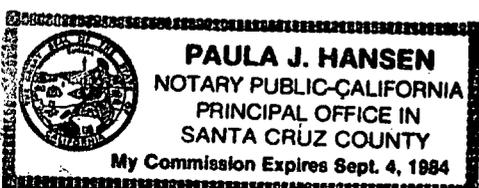
Jacqueline M. Vail
Jacqueline G. Vail, Notary Public
State of Texas. My commission
expires October 14, 1984.

STATE OF CALIFORNIA §
COUNTY OF SANTA CRUZ §

BEFORE ME, the undersigned authority, on this day personally appeared Bruce G. Woolpert, President of Granite Rock Company, known to me to be the person whose name is subscribed to the foregoing instruments and acknowledged to me that he executed same for the purposes and considerations therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office, this 1st day of April, 1981.

Paula J. Hansen
Notary Public in and for
Santa Cruz County, California



RIDER NO. 1

It is hereby agreed that, effective February 27, 1981, this rider shall become a part of Railroad Car Lease Agreement No. 1 between TCCX Corporation and Granite Rock Company, dated February 27, 1981, and the cars herein shall be placed in service, subject to the terms set forth below:

CAR OWNER MARKS

TCCX

CAR INITIAL NUMBERS

01 through 25

CAPACITY OF CARS

100 Tons

DELIVERY POINT

Houston, Texas

EQUIPMENT INFORMATION

QUANTITY

25

DESCRIPTION OF EQUIPMENT

Hopper, open top, steel
AAR Type Code H340

LEASE/RENTAL INFORMATION

TERM

This Lease Agreement is for a term of one (1) year from the date of beginning as provided for in paragraph 2 and will remain in full force and effect from year to year thereafter until and unless either party gives the other party sixty (60) days written notice prior to any annual expiration date.

PAYMENT

\$513.00 monthly for each car payable in advance. See paragraph 2 of Conditions of Agreement for beginning and ending dates.

SUSPENSION OF PAYMENT - BAD ORDER STATUS

Suspension of rental of cars will become effective after five (5) full business days from date of Bad Order Status when specified by the railroad on which car is bad ordered, and notification must be given to LESSOR within five (5) full business days from determination of Bad Order Status.

OPTION TO PURCHASE

During the effective term of this lease, LESSEE shall have the option to purchase the cars at the same price and terms as any offer LESSOR may receive from a prospective purchaser. LESSOR must give LESSEE written notice by certified mail, the price and terms of the offer to purchase the cars and LESSEE must respond within seven (7) business days after the post marked date or this option is forfeited by LESSEE. LESSEE hereby agrees that LESSOR is relieved from any and all obligations under this option after seven (7) business days have elapsed since the post marked date of the certified mail letter of notice to LESSEE.

TCCX CORPORATION (LESSOR)

GRANITE ROCK COMPANY (LESSEE)

By *James R. Cunningham*
President

By *Bruce G. Woolbert*
President

(SEAL)

(SEAL)

ATTEST:

ATTEST:

A. J. Pooey
Secretary

John L. Scripps
Secretary
Transportation Consultant