



CHEMICAL BUSINESS CREDIT CORP.
 Affiliate of Chemical Bank
 55 Water Street, New York, NY 10087
 Tel: (212) 952- 2518

11959
 RECORDATION NO. Filed 1425

JUL 1 1980 - 1 55 PM

INTERSTATE COMMERCE COMMISSION

June 30, 1980

11959 - A
 RECORDATION NO. Filed 1425

JUL 1 1980 - 1 55 PM

INTERSTATE COMMERCE COMMISSION

No. 07934151

Date JUL 1 1980

Fee \$ 60.00

ICC Washington, D. C.

Mrs. Lee
 Interstate Commerce Commission
 Room 2303
 Constitution Ave. at 12th St., N.W.
 Washington, D. C. 20023

Re: Filing of documents relating to Lease Agreement dated the 27th of June, 1980 between Oak Island Co., Lessor, and Warwick Railway Company, Lessee

Dear Mrs. Lee:

Enclosed for filing under Section 20c of the Interstate Commerce Act are the following documents:

(1) Lease Agreement dated June 27, 1980 between Oak Island Company (Lessor) and Warwick Railway Company (Lessee), for the lease of fifty 50-ft. 70 ton Box Cars, Type XM, Car Numbers WRWK-160050 through WRWK-160099.

(2) Assignment of Lease between Oak Island Company and Warwick Railway Company to Chemical Business Credit Corp., the secured party, granting a security interest to Chemical Business Credit Corp. in fifty 50-ft. 70 ton Box Cars, Type XM, Car Numbers WRWK-160050 through WRWK-160099.

I enclose a check in the sum of \$60 to cover the cost of this filing, made payable to the Interstate Commerce Commission.

Please return an original copy of the documents and confirmation letter to the undersigned.

Very truly yours,

Jeffrey B. Reitman
 Jeffrey B. Reitman,
 Vice President and Secretary

JBR:dd
 encs.

RECEIVED
 JUL 1 1 51 PM '80
 FEE OPERATION BR.
 I.C.C.

James A. [unclear]

U

Interstate Commerce Commission
Washington, D.C. 20423

7/1/80

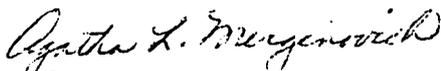
OFFICE OF THE SECRETARY

Jeffrey B. Reitman
Vice President & Secretary
Chemical Business Credit Corp.
55 Water Street
New York, N.Y. 10087

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 **7/1/80** at **1:55pm**, and assigned re-
recording number(s). **11959, 11959-A & 10852-E**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

LEASE AGREEMENT

11959

RECORDATION NO. Filed 1425

This Lease Agreement dated the ^{27th} day of June, 1980 ^{JUL 1 1980 1 55 PM} between Oak Island Co. (formerly known as Jamestown of Indiana Harbour Beach Co.), an Ohio corporation (hereinafter called Lessor) and whose address is 42 East Gay Street, Columbus, Ohio 43215, and Warwick Railway Company, a Rhode Island corporation (hereinafter called Lessee) whose address is 1535 Elmwood Avenue, Cranston, Rhode Island (mailing address: P. O. Box 1499, Woonsocket, Rhode Island 02895).

It is agreed as follows:

1. Scope of Agreement

A. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor the Equipment as set forth in any schedules executed by the parties concurrently herewith or hereafter and made a part of this Lease 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 Lease Agreement. The schedules items of equipment are hereinafter called "Equipment" or "Item" or "Items of Equipment".

B. It is the intent of the parties to this Agreement that Lessor shall at all times be and remain the owner of all Equipment. 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. While this Lease Agreement is

in effect, neither Lessor nor Lessee shall have the right to sell the Equipment without the consent of the other. Lessor represents that the Equipment is free and clear of all liens and encumbrances with the exception of a lien in favor of Chemical Business Credit Corp., a New York corporation, and Lessor agrees to furnish to Lessee at the time of execution of this Lease Agreement an opinion of counsel, in form satisfactory to Lessee, that said Equipment is owned by Lessor and is in fact free and clear of all liens and encumbrances save for the lien of said Chemical Business Credit Corp. During the term of this Lease Agreement, Lessor shall not have the right to create or suffer to be created any additional liens or encumbrances upon said Equipment without the express written consent of Lessee which Lessee is not required to give, and any such lien of encumbrance subsequently created shall be subject and subordinate to the terms and provisions of this Lease Agreement.

2. Term

This Lease Agreement shall remain in full force and effect until December 31, 1990, and thereafter it shall remain in full force and effect unless and until Lessee shall give to Lessor thirty (30) days written notice of termination by certified or registered mail; provided, however, that in no event shall the term of this Lease Agreement as to any Item of Equipment extend beyond the life allowed by governmental regulations for equipment in interchange service. The term of this Lease Agreement with respect to all of the Equipment shall commence when all Items of Equipment shall have been delivered by Lessor to a point or points designated

by Lessee and stencilled with Lessee's railroad reporting marks. The date of commencement shall be evidenced by a writing executed by the parties hereto. Provided, however, that if less than all of said Equipment has been so delivered to Lessee and stencilled with Lessee's reporting marks, although the term of this Lease Agreement shall not have begun, all of the provisions of the Lease Agreement shall be applicable except for the minimum utilization provisions of Paragraphs 8(a) - (e) hereof, which provisions shall not become applicable until all of the Equipment has been so delivered and stencilled.

Provided further, however, that the parties may mutually agree in writing to commence the term of this Lease Agreement even though less than fifty (50) boxcars shall have been delivered to Lessee and stencilled with Lessee's reporting marks, but in no event shall the term commence until at least forty-five (45) boxcars have been so delivered and stencilled.

3. Supply Provisions

A. Lessor, at its expense, shall deliver the Equipment to Lessee at such points as Lessee shall designate. Lessor agrees to assist Lessee in monitoring Equipment movements and, when deemed necessary by both Lessee and Lessor to issue movement orders with respect to such Equipment to other railroad lines in accordance with Interstate Commerce Commission (ICC) and Association of American Railroads (AAR) interchange agreement and rules, but any cost involved shall be Lessor's responsibility. Lessee shall have the right (but not the obligation) to inspect all Equipment prior to acceptance of

delivery and shall have the right to reject delivery of any Item of Equipment which does not meet ICC and AAR interchange standards. In such event, Lessee shall have the option to either reject delivery or to repair said Item of Equipment at Lessor's expense. Lessee agrees to advance to Lessor all of the costs, described in this Paragraph 3.A., including transportation costs, re-stenciling and re-marking costs and repair costs, if any; subject, however, to Lessee's right to reimbursement by withholding such costs from revenues due to Lessor under Paragraph 6.B. hereof.

B. The Equipment will be available for the use of Lessee or Providence and Worcester Company in local service on their lines if Lessee so elects. If Equipment is so used, it will be according to terms mutually agreeable to Lessor and Lessee and those terms will be added to this Lease Agreement in the form of an attachment. Provided, however, that Lessee or Providence and Worcester Company shall pay to Lessor for the use of any such Equipment in local service on their respective lines, the same car hire charges as would be due if such Equipment was owned by another railroad company.

4. Railroad Markings and Record Keeping

A. The parties agree that on or before delivery of any Item of Equipment to Lessee, said Equipment will be lettered with the railroad reporting marks of Lessee. Such lettering or marking is to be done at the expense of Lessor as hereinbefore provided. Lessee may elect to accept delivery of the cars without Lessee's markings at points designated by it and to perform or cause to be performed the necessary lettering, but all at Lessor's expense as

as hereinbefore provided in Paragraph 3.A. Any other stencilling or lettering which might be required by Lessor or Chemical Business Credit Corp. shall be at Lessor's expense to be treated in like manner as other such expenses under Paragraph 3.A. hereof.

B. At no cost to Lessee, Lessor shall at Lessee's request assist Lessee in filing all documents relating to the registration, maintenance and record keeping functions involving the Equipment. Such documents shall include but are not limited to the following: (i) registration in the Official Equipment Register, and the Universal Machine Language Equipment Register and (ii) such reports as may be required from time to time by the ICC and/or other regulatory agencies. All expenses of such filings shall be treated in like manner as other expenses under Paragraph 3.A. hereof.

C. Each item of Equipment operated hereunder shall be registered by Lessee in the Official Equipment Register and the Universal Machine Language Equipment Register. Lessee will perform all record keeping functions related to the use of the Equipment by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules, such as car hire reconciliation. Correspondence from railroads using such Equipment shall be addressed to Lessee at such address as the party maintaining the records shall select.

D. Except as otherwise provided herein, all record keeping and car accounting hereunder shall be performed by Lessee; provided, however, that Lessee shall have the right to assign said record keeping and car accounting functions to Providence and Worcester

Company. All record of payments, charges and correspondence related to the Equipment shall be separately recorded and maintained by Lessee (or its assignee) in a form suitable for reasonable inspection by Lessor from time to time during regular business hours. Lessee shall supply Lessor with reports regarding the use of the Equipment on a periodic basis.

5. Maintenance, Taxes and Insurance

A. Payment shall be made in accordance with Section 6 hereof for all costs, expenses, fees and charges incurred by Lessee in connection with the use and operation of each Item of Equipment while this Lease Agreement is in effect including but not limited to repairs, maintenance and servicing, unless the same was occasioned by the fault of Lessee while such Item of Equipment is in the physical possession of Lessee. Lessee shall inspect all Equipment interchanged to it to insure that each Item of Equipment is in good working order and condition and shall be responsible for any repairs required for damage not noted at the time of interchange. Lessee shall not make any alterations, improvements or additions to the Equipment without Lessor's prior written consent, which shall not be unreasonably withheld. If Lessee makes an alteration, improvement or addition to any Item of Equipment (other than needed repairs or regular maintenance) without Lessor's prior written consent, it shall be liable to Lessor for any revenues lost due to such alteration. Title to any such alteration, improvement or addition shall be and remain with Lessor.

B. Lessee will at all times while this Lease Agreement is

in effect be responsible for the Equipment while in Lessee's possession or control in the same manner that it is responsible under AAR interchange rules for similar equipment not owned by it in its possession or control. Lessee shall protect against the consequences of an event of loss involving the Equipment while in Lessee's or Providence and Worcester Company's possession of control by obtaining insurance reasonably acceptable to Lessor providing such insurance if available and with such self-insured retentions as Lessee may be required to carry. Provided, that Lessee may elect to become a self-insurer for up to Five thousand (\$5,000) Dollars per Item of Equipment. Lessee shall furnish Lessor with a certificate of insurance with respect to the insurance carried on the Equipment signed by the insurer or its duly authorized agent. All insurance, if possible, shall be taken out in the name of Lessee, Providence and Worcester Company, Lessor and Chemical Business Credit Corp. as their respective interests may appear. Lessee, for itself and for Providence and Worcester Company, shall also obtain liability insurance against injury or damage to the person or property of third parties involving the Equipment, naming, if possible, Lessor and Chemical Business Credit Corp. as additional insured parties. If Lessee is unable to acquire such insurance, or if Lessee is required to become a self-insurer for a designated amount, then Lessee shall be deemed to have nevertheless complied with its obligations hereunder. Provided, that Lessee may elect to become a self-insurer for up to One Hundred Thousand (\$100,000) Dollars per occurrence. Lessee shall furnish Lessor and Chemical Business Credit Corp. with a certificate of insurance signed by the insurer or its duly authorized agent. Lessee shall advance the costs of all of such insurance

subject to reimbursement as with other expenses under Paragraph 3.A. hereof.

C. Payment shall be made in accordance with Section 6 hereof for all taxes, assessments and other governmental charges of whatsoever kind or character incurred by Lessee relating to each Item of Equipment and on the delivery or operation thereof which may remain unpaid as of the date of delivery of such Item of Equipment to Lessee or which may be accrued, levied, assessed or imposed during the term of this Lease Agreement and sales or use taxes imposed on the revenues. Lessor and Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Equipment.

D. All records of payments, charges and correspondence related to maintenance of the Equipment shall be separately recorded and maintained by Lessee (or its assignee) in a form suitable for reasonable inspection by Lessor from time to time during regular business hours to assure that maintenance charges are reasonable.

6. Receipts and Expenses

An accounting shall be made for all Equipment as follows:

A. Lessee (or its assignee) shall use its best efforts to collect all sums due from other railroads or other users of the Equipment for their use or handling of the Equipment including but not limited to car hire charges, demurrage, repair charges, and settlements for lost, destroyed or damaged Equipment. All of the foregoing sums which are actually received by Lessee (or its

assignee) (including by credit, set-off or other method recognized by Lessee as actual receipt) are collectively referred to herein as "Receipts". While the Equipment is on the lines of the Lessee and/or Providence and Worcester Company, loaded or empty, no charge will be made for car hire, mileage or demurrage, except as provided in Paragraph 3.B.

B. Lessee (or its assignee) shall disburse all monthly Receipts in the following sequence:

- (i) Lessee shall first retain such amount necessary to reimburse it for all charges and expenses incurred by Lessee under Paragraphs 3.A., 4.A., 4.B., 5.A., 5.B. and 5.C. hereof.
- (ii) Lessee shall remit the balance of all Receipts to Lessor or as directed by Lessor in writing, on or before the last day of the 2nd month following the service month. A monthly summary of Receipts and disbursements shall accompany each remittance. When the sum of Two Million Eleven Thousand (\$2,011,000.) has been so remitted to Lessor, then Lessor shall be entitled to receive only fifty percent (50%) of the balance of said Receipts and Lessee shall be entitled to retain for its own use the remaining fifty percent (50%).
- (iii) In the event any Item of Equipment is sold or scrapped for salvage after \$2,011,000 has been

remitted to Lessor as above provided, then Lessee shall be entitled to fifty percent (50%) of the proceeds. If the term of this Lease Agreement as to any Item of Equipment has expired because of the expiration of the life of said Item of Equipment allowed by government regulations for equipment in interchange service, then said Item of Equipment shall be sold or scrapped for salvage and the proceeds divided equally between Lessor and Lessee.

(iv) Until such time as both Lessor and Chemical Business Credit Corp. shall provide other written instructions to Lessee, Lessee shall remit all payments and make all accountings due under this Lease Agreement directly to Chemical Business Credit Corp. as the agent and assignee of the Lessor.

7. Possession and Use

A. Lessee's rights shall be subject and subordinate to that certain Non-Recourse Note and Security Agreement dated October 31, 1979, as amended, between Jamestown of Indian Harbour Beach Co. and Chemlease, Inc. (now known as Chemical Business Credit Corp.), except that Lessee shall not be deemed to have assumed or be responsible for any of the obligations of Lessor under said Non-Recourse Note and Security Agreement. Provided,

however, that so long as Lessee is not in default under this Lease Agreement, Chemical Business Credit Corp. agrees that Lessee shall not be disturbed in its possession or use of said Equipment under the terms of this Lease Agreement even if Lessor should default in the performance of its obligations to Chemical Business Credit Corp. under said Non-Recourse Note and Security Agreement or any other agreement existing between them. Chemical Business Credit Corp. joins in this Lease Agreement for this limited purpose. In the event that the Equipment hereunder is for any reason to be returned to Lessor or Chemical Business Credit Corp. neither Lessee nor Providence and Worcester Company shall be responsible for any expenses connected with the return of such Equipment.

B. Lessee agrees that to the extent that it has physical possession and can control use of the Equipment, the Equipment 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 Lessor 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.

C. Lessee will not directly or indirectly create, incur, or assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other security interest or claim on or with respect

to the Equipment or any interest therein. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest or claim, if the same shall arise at any time by any action of or failure to act by Lessee.

8. Termination

Lessor shall have the right to terminate this Lease Agreement in the following events:

(a) If during the initial six month period commencing upon the first day of the term of this Lease Agreement (if said six month period does not expire on the last day of a calendar month, the period shall be extended to the last day of the month in which said six months period has expired) and during each succeeding quarterly period thereafter the minimum utilization provisions hereinafter described are not met, then Lessor shall have the right to notify Lessee by registered or certified mail of its intention to terminate this Lease Agreement fifteen (15) days after receipt of said notice by the Lessee; provided, that Lessee shall have the right, prior to the expiration of said fifteen (15) day period to pay to Lessor a sum equal to the difference between the payment received by Lessor for such initial period or such quarterly period as the case may be and the payment Lessor would have received for such initial period or such quarterly period had the utilization been the required minimum. If Lessor shall fail to notify Lessee of Lessee's failure to meet the minimum utilization provisions for any period or periods, such failure shall not be deemed

to constitute a waiver of Lessor's rights with respect to any subsequent period or periods. If Lessee elects to make such voluntary payment in order to meet the minimum utilization provisions hereinafter described, then Lessor's notice of termination shall no longer be effective. If Lessee elects not to make such voluntary payment, then Lessor's notice of termination shall become effective and Lessor shall be entitled to have the Equipment returned to it, but the same shall not constitute a default and Lessee shall have no other obligation or liability.

(b) The amount necessary to satisfy minimum utilization shall be computed as follows:

- (i) For Equipment less than five (5) years old a daily rate of \$16.86 shall be used.
- (ii) For Equipment more than five (5) years old but less than ten (10) years old, a daily rate of \$14.94 shall be used.
- (iii) For Equipment more than ten (10) years old but less than fifteen (15) years old, a daily rate of \$12.64 shall be used.

For the initial period described in Paragraph 8.(a) above and for each succeeding quarterly period thereafter, the minimum utilization shall be an amount computed as follows:

An average daily rate is to be determined by applying the above listed daily rates to each Item of Equipment eligible for service according to its age (no cars in shops for repairs or damaged beyond repair shall be included) and by dividing the total

thus obtained by the number of eligible Items of Equipment.

The average daily rate thus obtained shall be multiplied by the number of eligible Items of Equipment to arrive at a daily minimum.

The daily minimums shall then be added together to arrive at the minimum utilization amount due for the initial period and for succeeding quarterly periods.

(c) After the sum of \$2,011,000 has been paid to Lessor as provided in Paragraph 6.B.(ii) hereof, the minimum utilization provisions of this Paragraph 8 shall no longer be applicable. Provided, however, that after said sum has been so paid, the Lessee agrees to use its best efforts to minimize the utilization of said Equipment in local service and to maximize the utilization of said Equipment in interline service in an effort to achieve levels of utilization comparable to those achieved prior to the payment of said \$2,011,000. Provided, further, however, that if Lessee shall use its best efforts but shall nevertheless fail to perform in accordance with the preceding sentence, then Lessor shall have no recourse

(d) For purposes of the above computation; the age of each Item of Equipment has been included on the Schedule executed herewith and appended hereto.

(e) For purposes of determining whether the minimum utilization provisions of this Paragraph 8 have been met, expenses reimbursed to Lessee under Paragraph 6.B.(i) shall be added to the Receipts remitted to Lessor under Paragraph 6.B.(ii) and the total shall constitute the amount received by Lessor.

(f) An Item of Equipment shall be no longer subject to this Lease Agreement upon the authorized removal of Lessee's railroad markings from such Item of Equipment and the placing thereon of such markings as may be designated by Lessor and at Lessor's expense, either, at the option of Lessor, (1) by Lessee upon return of such Equipment to Lessee's possession and control; or (2) by another railroad line which has physical possession of the Item of Equipment at the time or of subsequent to termination of this Agreement as to such Item of Equipment. If such Equipment is not on the railroad line of Lessee upon termination, any cost of assembling, delivering, storing and transporting such Equipment to Lessee's railroad line or the railroad line of a subsequent operator shall be borne by Lessor. If such Equipment is on the railroad line of Lessee upon such expiration or termination or is subsequently returned to Lessee's railroad line, Lessee shall, within thirty working days remove Lessee's railroad markings from the Equipment and place thereon such markings as may be designated by Lessor, such expense to be borne by Lessor. Any costs associated with movement of terminated cars shall be Lessor's responsibility.

9. Representations, Warranties and Covenants

A. 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 of Rhode Island 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 present business operations and to own or hold under

lease its properties and to perform its obligations under this Lease Agreement.

(ii) The entering into and performance of this Lease Agreement will not violate any judgement, 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 Equipment 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 effects on the business, properties and assets, or conditions, financial or otherwise, of Lessee, that will in any way affect Lessee's ability to perform its obligations under this Lease Agreement.

B. Lessor represents, warrants and covenants that:

(i) The entering into and performance of this Agreement between Lessor and Lessee will not result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Lessee.

(ii) Lessor is a duly organized and validly existing corporation in good standing under the laws of the State of Ohio and has the corporate power and authority

to enter into this Lease Agreement and its execution has been duly authorized by proper corporate authority. The entering into and performance of this Lease Agreement will not violate any judgement, order, law or regulation applicable to Lessor and will not constitute a breach or default under any Agreement to which Lessor is a party.

(iii) The Equipment is subject to a Non-Recourse Note and Security Agreement dated October 31, 1979, as amended, between Jamestown of Indian Harbour Beach Co. and Chemlease Inc. (now known as Chemical Business Credit Corp.). Except for the security interest now held by Chemical Business Credit Corp. under the above instrument, said Equipment is free and clear of all other liens or encumbrances.

10. Notification

Lessee shall immediately notify Lessor and Chemical Business Credit Corp. of any accident connected with the malfunctioning or operation of the Equipment, 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 Lessor in writing within ten (10) days after any attachment, tax lien or other judicial process shall attach to any Item of Equipment.

11. 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 Lessor, which shall not be unreasonably withheld, assign this Lease Agreement; provided, however, that Lessee shall have full authority to utilize said Equipment including, but not limited to, waiver of AAR rules, assigning or pooling of the Equipment and making said Equipment eligible for incentive car hire.

B. It is expressly understood and agreed by the parties hereto that this Lease Agreement creates a leasehold interest only in regard to the Equipment. Nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as set forth herein.

C. This Agreement shall be governed by and construed according to the laws of the State of Rhode Island.

D. All notices hereunder shall be in writing and shall be sent by the United States mail, postage prepaid, certified or registered, addressed to the other party at the address set forth above. A notice hereunder shall not be effective until it has been received by the party to whom it was mailed.

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

OAK ISLAND CO.

WARWICK RAILWAY COMPANY

By: Ernest E. Johnson
Vice President

By: Robert H. Eden
President

State of *New York*
County of *Westchester*

In On the *27* day of June, 1980, before me personally appeared Robert H. Eder, President of Warwick Railway Company to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed and the free act and deed of Warwick Railway Company.

Frank T. Torre
Notary Public

FRANK T. TORRE
Notary Public, State of New York
No. 03-4002575
Qualified in West & N. Y. County
Commission Expires March 30, 1983

State of *New York*
County of *Westchester*

In On the *27* day of June, 1980, before personally appeared *Robert J. Benise* of Chemical Business Credit Corp. to me known and known by me to be the party executing the foregoing instrument, and he acknowledged said instrument by him executed to be his free act and deed and the free act and deed of Chemical Business Credit Corp.

Frank T. Torre
Notary Public

FRANK T. TORRE
Notary Public, State of New York
No. 03-4002575
Qualified in West & N. Y. County
Commission Expires March 30, 1983

Equipment Schedule #1 to Lease Agreement
between Oak Island Co.
(Lessor) and Warwick Railway Company (Lessee).

Lessor hereby provides the following equipment
to Lessee pursuant to the above agreement.

DESCRIPTION OF EQUIPMENT

The Equipment covered by the Equipment Lease Agreement identified
above is as follows:

<u>Quantity</u>	<u>Unit Description</u>	<u>Vendor</u>
50	Fifty foot, 70 ton Box Cars, Type XM; Car Numbers WRWK 160050 thru WRWK 160099	Berwick Forge & <u>0</u> Years Fabrication, Division of Whittaker Corporation <u>9</u> Months

OAK ISLAND CO.

WARWICK RAILWAY COMPANY (Lessee)

By: *Ernest Johnson*

By: *Robert W. E.*

Title: *Vice President*

Title: *Pres.*

Dated: *6/27/80*

Dated: *6/27/80*

LEASE AGREEMENT

OAK ISLAND CO., LESSOR

AND

WARWICK RAILWAY COMPANY, LESSEE

JUNE 27, 1980