

STEPTOE & JOHNSON

1250 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

CHERYL A. SKIGIN

(202) 862-2000

RECORDATION NO. 11833-14 Filed & Recorded

Date JUL 30 1980
50.00
CC Washington, D.C.

JUL 30 1980 -2 40 PM

INTERSTATE COMMERCE COMMISSION

July 30, 1980

RECORDATION NO. 11833-14 Filed & Recorded

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Room 2215, 12th and Constitution
Washington, DC 20423

JUL 30 1980 -2 40 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED
JUL 30 2 31 PM '80
FEE OPERATIONS BR.

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U. S. C. § 11303 are several copies of the following documents:

Lease Agreement dated as of February 18, 1980 between Brae Corporation and Atlantic & Western Railway Company; and,

Amendment Agreement dated as of July 22, 1980 (to the above Lease Agreement) between Brae Corporation and Atlantic & Western Railway Company.

They relate to the railroad equipment marked as follows:

ATW7000 - ATW7199, inclusive

The names and addresses of the parties to the transactions evidenced by these documents are:

Lessor: Brae Corporation
Suite 1760 - Three Embarcadero Center
San Francisco, CA 94111

Lessee: Atlantic & Western Railway Company
Post Office Box 1208
Sanford, NC 27330

It is requested that these documents be filed and recorded under the names of the parties as set forth above. In view of the fact that they relate to the Railroad Lease Agreement, previously assigned recordation number 11833, it is additionally requested that they be assigned the next available letter designations (which are believed to be "G" and "H") under that primary number.

Cheryl A. Skigin
Cheryl A. Skigin

Please return to the person presenting this letter: (1) your letter acknowledging the filing, (2) a receipt for the \$50.00 filing fee paid by check drawn on this firm, (3) the enclosed copies of this letter, and (4) any copies of the document not required for recordation -- all stamped to indicate appropriate filing information.

Very truly yours,


Cheryl A. Skigin

mbm

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

7/30/80

OFFICE OF THE SECRETARY

**Cheryl A Skigin, Atty.
Stephoe & Johnson
1250 Conn. Ave., N.W.
Washington, D.C. 20036**

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 **7/30/80** at **2:40pm** ✓, and assigned re-
recording number(s). **11833-G, 11833-H, 11833-I**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

RAILROAD LEASE AGREEMENT

DUPLICATE
ORIGINAL

LEASE AGREEMENT, dated as of February 18, 1980, between BRAE CORPORATION, a Delaware corporation ("BRAE"), and ATLANTIC & WESTERN RAILWAY COMPANY, P.O. Box 1208, Sanford, North Carolina 27330, a North Carolina corporation ("Lessee").

RECORDATION NO. 21833 M
Filed & Recorded

JUL 30 1980 -2 40 PM

1. Scope of Agreement

A. BRAE agrees to lease to Lessee and ~~to Lessee~~ ^{INTERSTATE COMMERCE COMMISSION} lease from BRAE the items of railroad equipment ("Cars") set forth in the Schedule(s) attached hereto which Cars shall be assigned to the shipper(s) ("Shipper(s)") designated in the Schedule(s) pursuant to the Shipper Agreement described therein ("Shipper Agreement(s)") and pursuant to an assignment of the Cars to an originating carrier. "Schedules" include the Schedule or Schedules executed herewith and any additional Schedules, each of which when executed by both parties shall become a part of this Agreement.

B. Subject to the provisions of Section 12A hereof, BRAE shall at all times be and remain the lessor of the Cars; Lessee shall not take any action or file any document inconsistent with BRAE's position as the lessor of the Cars and shall from time to time take such actions and execute such documents as may be necessary to evidence or confirm BRAE's position as the lessor of the Cars.

2. Term

A. This Agreement shall remain in effect until it shall have been terminated as to all Cars as provided herein. The lease pursuant to this Agreement with respect to each Car shall commence upon the acceptance of such Car by BRAE from the manufacturer and shall continue until five years have expired from the actual date of delivery to the shipper's loading point for the last of the Cars described on the Schedule, all as provided in Section 3A; provided, however, that in no event shall the original term of lease with respect to any Car exceed 71 months.

B. BRAE shall have the right to terminate this Agreement with respect to one or more Cars in the event that any addition, alteration, modification or improvement to any of the Cars is required by the Association of American Railroads ("AAR"), the Department of Transportation or any other regulatory agency or is otherwise required in order to comply with applicable laws, regulations or requirements affecting the use or ownership of any of the Cars or in the event of material adverse changes to the car service rules. This termination right, which shall apply only to those Cars which require such addition, alteration, modification or improvement, shall be exercisable upon 30 day's written notice to Lessee at any time within 120 days of the date any such requirement is first announced. In addition, BRAE shall have the right to terminate this Agreement in the event that the originating carrier assignment referred to in Section 1A above is terminated for any reason. Such termination rights are in addition to any termination rights which BRAE may have under Sections 6 or 8 hereof.

3. Delivery

A. BRAE shall inspect each Car tendered by the manufacturer for delivery. Lessee shall be notified of the manufacturing schedule for the Cars and shall have the right to inspect the Cars during manufacture and prior to acceptance, subject only to the plant rules of the manufacturer. Upon BRAE's determination that each Car conforms to the specifications ordered by BRAE and to all applicable regulatory requirements and if this Agreement shall not have been terminated, BRAE shall accept delivery of such Car at the manufacturer's facility and shall notify Lessee in writing of such acceptance. Each of the Cars shall be deemed delivered to and accepted by Lessee upon its acceptance by BRAE from the manufacturer. The Cars shall be moved, at no cost to Lessee, to the loading point of a shipper agreed upon by Lessee and BRAE, as soon after acceptance by BRAE as is consistent with mutual convenience and economy. The lease hereunder and Lessee's rental obligation with respect to each Car shall commence upon acceptance of such Car by BRAE from the manufacturer.

B. Lessee agrees that it shall not lease freight cars from any other party until it shall have received all of the Cars listed on all Schedules. In the event that any of the Cars should for any reason be on Lessee's tracks, Lessee shall load the Cars prior to the loading substantially similar freight cars leased from other parties, owned by Lessee or interchanged with other railroads.

C. Additional Cars may be leased from BRAE by Lessee only upon the mutual agreement of the parties. Such additional Cars shall be identified in a Schedule and shall become subject to this Agreement upon execution of such Schedule by BRAE and Lessee. The delivery of any Car shall in all events be subject to manufacturer's delivery schedules and to the availability of financing on terms satisfactory to BRAE. If fewer than all Cars listed on any Schedule shall be delivered to the shipper's loading point, the lease term for the Cars on such Schedule shall terminate five years from the delivery date for the last of the Cars which is listed on such Schedule and actually delivered to the shipper's loading point, as provided in Section 3A.

4. Railroad Markings and Record Keeping

A. On or before acceptance of any Car from the manufacturer by BRAE, such Car will be lettered with the railroad markings of Lessee and may also be marked with the name and/or other insignia used by Lessee. Any Car may also be marked with the name of BRAE and any other information required by an owner or by a secured party under a financing agreement entered into in connection with the acquisition of such Car. All such names, insignia and other information shall comply with all applicable regulations.

B. Lessee shall prepare and file all documents relating to the registration, maintenance and record keeping functions involving the Cars, including such reports as may be required from time to time by the Interstate Commerce Commission ("ICC") or any other regulatory agency.

C. Each Car accepted from the manufacturer by BRAE shall be registered at no cost to BRAE in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. Lessee shall perform all record keeping functions related to the use of the Cars by Lessee and other railroads in accordance with AAR railroad interchange agreements and rules.

D. A record of all payments, charges, data and correspondence related to the Cars shall be separately maintained by Lessee in a form suitable for reasonable inspection by BRAE from time to time during Lessee's regular business hours. Lessee shall supply BRAE with such reports, including telephone reports, regarding the use of the Cars by Lessee, as BRAE may reasonably request. All payments received by Lessee for use of the Cars by other railroads shall be deposited in a separate account for the exclusive benefit of BRAE and/or BRAE's Assignee and distributed on a monthly basis in accordance with the provisions of Section 6A hereof. Lessee shall forward to BRAE copies of applicable car hire reports immediately after such reports become available.

5. Maintenance, Taxes, and Insurance

A. Except as otherwise provided herein, BRAE will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Car during its lease term, including but not limited to repairs, maintenance and service, unless the same was occasioned by the fault of Lessee. Lessee shall inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and shall be liable to BRAE for any repairs required for damage not noted at the time of interchange. Lessee hereby transfers and assigns to BRAE all of its right, title and interest in any warranty in respect of the Cars. All claims or actions on any warranty so assigned shall be made and prosecuted by BRAE at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be payable solely to BRAE.

B. Except as provided in Section 5A, BRAE shall make or cause to be made such inspections of, and maintenance and repairs to the Cars as may be required. Lessee shall perform any necessary maintenance and repairs to Cars while on Lessee's railroad tracks as may be reasonably requested by BRAE. Lessee shall not be required to pull a car onto its tracks for repairs however, but shall be responsible as provided above only for those Cars which are returned to its tracks in the normal course of business. BRAE shall also make, at its expense, all alterations, modifications or

replacements of parts as shall be necessary to maintain the Cars in good operating condition throughout the term of their lease. Lessee may make running repairs, at BRAE's expense, to facilitate continued use of a Car, but shall not otherwise make any repairs, alterations, improvements or additions to any Car without BRAE's prior written consent. Lessee shall be liable to BRAE for any revenues lost due to such alteration, repair, improvement or addition which is made without BRAE's consent. Title to all alterations, improvements or additions shall vest immediately in BRAE.

C. Lessee shall be responsible for the Cars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules - Freight for freight cars not owned by Lessee which are on Lessee's railroad tracks.

D. BRAE agrees to reimburse Lessee within sixty (60) days after written notice is delivered to BRAE for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Car and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to Lessee or which may be accrued, levied, assessed or imposed during the lease term, except taxes on income imposed on Lessee and sales or use taxes imposed on the mileage charges and/or car hire revenues earned by the Cars. BRAE shall forward to Lessee all sales and use tax payments received by it on behalf of Lessee. BRAE shall review all applicable tax returns prior to filing.

E. Lessee shall maintain (or cause to be maintained) during the term of this Agreement policies of property damage and public liability insurance (or programs of self insurance) on the Cars in such form and amount and covering such risks and with such deductibles as are reasonably satisfactory to BRAE. Such property damage insurance shall extend to the Cars only while the Cars are on the tracks of the Lessee.

6. Lease Rental

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

(i) In the event that Utilization for all Cars on an aggregate basis is equal to or less than 88% for the applicable calendar year, BRAE shall receive an amount equal to all car hire (per diem) revenues and incentive car hire (incentive per diem) revenues, if any, earned by all Cars and received by Lessee during such calendar year. "Utilization" shall mean with respect to any period, a fraction the numerator of which is (X) the aggregate number of Car Hours for which car hire revenues are earned by the Cars and received by Lessee during such period, and the denominator of which is (Y) the aggregate number of Car Hours during such

period. "Car Hour" shall mean one hour during which one Car is on lease hereunder, commencing on the initial delivery of such Car to the Shipper's loading point. "Car Hire Revenues" shall mean per diem revenues paid by other railroads with respect to the Cars or "reclaim" assessed and paid by a Shipper pursuant to the respective Shipper Agreement.

(ii) In the event that Lessee receives in any calendar year car hire payments with respect to the Cars in excess of the payments required to be made to BRAE pursuant to subsection 6A(i) in such calendar year, Lessee shall retain such excess car hire revenues.

(iii) BRAE shall receive 88% of all Mileage Revenues earned by the Cars and received by Lessee during the applicable calendar year; the remaining 12% of such Mileage Revenues shall be retained by the Lessee. "Mileage Revenues" shall mean all mileage revenues or payments paid by other railroads with respect to the Cars and all mileage payments, revenues or guarantee payments paid by a Shipper with respect to the Cars pursuant to the respective Shipper Agreement.

(iv) All car hire Revenues and Mileage Revenues earned by the Cars prior to their initial delivery to the Shipper's loading point, and all demurrage payments and reclaim charges made to Lessee shall be apportioned between BRAE and the Lessee as follows: 88% to BRAE and 12% to the Lessee.

B. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules - Freight and the appropriate amount due as a result thereof has been received by BRAE, such Car will be removed from the coverage of this Agreement as of the date that Car Hire Revenues cease. BRAE may but need not substitute for any Car so removed from the coverage of this Agreement another railcar of a similar type, capacity, and condition.

C. The calculations required by Section 6A shall be made within thirty (30) days after the end of each month. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation; provided, however, that an annual calculation shall also be required to be delivered to BRAE within 30 days after the end of each calendar year following which, any amount paid to either party in excess of the amount required by the annual calculation shall be promptly refunded to the appropriate party.

D. During the term of this Agreement, if any Car remains on Lessee's railroad tracks for more than two days, BRAE may, at its option and upon not less than 24 hours' prior written notice, terminate this Agreement as to such Car and recover possession of such Car.

*on a monthly basis as soon as revenues are received by the Lessee,

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement, provided that the Cars shall at all times be assigned in service to the shipper referred to in Section 3A or to another shipper agreed upon by BRAE and Lessee. Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into in connection with the acquisition of Cars, i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that rent shall be paid directly to such party and that Cars be returned to such party. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdictions in which they may be located and in compliance with all lawful acts, rules and regulations, and orders of any governmental agency having power to regulate or supervise the use of the Cars, except that BRAE may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at BRAE's expense.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist (except as provided in Section 7A) any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement or any Schedule. Lessee will promptly, at its expense, take such action as may be necessary duly to discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim which may arise.

C. Lessee agrees that the Cars shall be used predominantly within the continental United States of America.

8. Default

A. The occurrence of any of the following events shall be an Event of Default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date such payment is due;

(ii) The breach by Lessee of any other agreement or covenant contained in this Agreement, which is not cured within thirty (30) days after BRAE has given Lessee notice thereof;

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

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency, or moratorium law against Lessee that is not dismissed within 60 days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within 60 days from the date of filing or appointment;

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

(vi) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to any applicable provision of law; or

(vii) The merger or consolidation of Lessee into another corporation which after such merger or consolidation shall have a net worth less than that of Lessee immediately prior thereto.

B. Upon the occurrence of any Event of Default, BRAE may, at its option:

(i) Terminate this Agreement, proceed by any lawful means to recover damages for a breach hereof and terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate and BRAE may enter upon any premises where the Cars may be located and take possession of them and hold, possess and enjoy them free from any right of Lessee; provided that BRAE shall nevertheless have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement

may then be due or which may have accrued to the date on which BRAE took such possession; or

(ii) Proceed by any lawful means to enforce performance by Lessee of this Agreement. Lessee agrees to bear the costs and expenses, including without limitation, reasonable attorneys' fees, incurred by BRAE in connection with the exercise of its remedies pursuant to this Section 8B.

C. If an Event of Default shall occur, BRAE may exercise its remedies pursuant to Section 8B with respect to some or all of the Cars.

D. Upon the occurrence of any of the following events:

(i) The failure of any Car at any time to be placed in assigned service with a shipper agreed upon by BRAE and Lessee; or

(ii) The insolvency or bankruptcy of any shipper to which Cars are assigned or the filing by or against any shipper to which Cars are assigned of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors;

BRAE may terminate this Agreement promptly upon 48 hours' notice to Lessee.

9. Termination

At the expiration or earlier termination of this Agreement with respect to any Car, Lessee will surrender possession of such Car to BRAE at such location as BRAE shall designate within a 1,000 mile radius of the loading point. If any Car is not on the railroad line of Lessee upon termination, the cost of assembling, delivering, storing, and transporting such Car to the railroad line of a subsequent Lessee shall be borne by BRAE. If such Car is on the railroad line of Lessee at such expiration or termination, Lessee shall, at Lessee's own expense within five (5) business days, remove Lessee's railroad markings from such Car and place thereon any other markings designated by BRAE and after the removal and replacement of markings, Lessee shall use its best efforts to load such Car with freight and deliver it to a connecting carrier for shipment. If any Car is terminated pursuant to Sections 6D or 8 prior to the end of its lease term, Lessee shall be liable to BRAE for all costs and expenses incurred by BRAE to repaint such Car and to place thereon the markings and name or other insignia of BRAE's subsequent lessee and to ship such Car(s) to the trackage of a subsequent Lessee, provided however, Lessee shall not be obligated to ship the Car(s) a distance greater than 1,000 miles from the loading point.

10. Representations, Warranties and Covenants

A. Lessee and BRAE each represent, warrant and covenant that:

(i) Such party is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has all necessary corporate power and authority, permits and licenses to perform its obligations under this Agreement.

(ii) The execution of this Agreement and the performance of the transactions contemplated hereby will not violate any judgment, order, law or regulation applicable to Lessee or BRAE, as the case may be, 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 BRAE, as the case may be, or on the Cars pursuant to any instrument to which Lessee or BRAE, as the case may be, 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 or BRAE before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties, assets or condition, financial or otherwise, of Lessee or BRAE.

B. Lessee represents, warrants and covenants that:

(i) There is no fact which Lessee has not disclosed to BRAE in writing, nor is Lessee a party to any agreement or instrument, nor is it subject to any charter or other corporate restriction, which, as far as the Lessee can now reasonably foresee, will individually or in the aggregate materially impair the ability of Lessee to perform its obligations under this Agreement.

(ii) No shipper to which the Cars have been or will be assigned has a facility located on Lessee's railroad line. Lessee does not and will not participate at any time in transporting any commodities of any such shipper.

(iii) Lessee has filed or caused to be filed with the ICC all tariffs and other documents and notices which may be required to be filed by it in accordance with the transactions contemplated by this Agreement.

11. Inspection

BRAE may at any time during normal business hours enter any premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify BRAE of any accident connected with the malfunctioning or operation of the Cars, including in such report the time, place and

nature of the accident, the damage caused, the names and addresses of any persons injured and of witnesses and any other information pertinent to Lessee's investigation of the accident. Lessee shall also notify BRAE in writing within five days after any encumbrance, tax lien or other judicial process shall attach to any Car. Lessee shall furnish to BRAE promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other financial statements submitted to the ICC or its shareholders generally.

12. Miscellaneous

A. This Agreement and the Schedules shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns, except that Lessee may not without the prior written consent of BRAE assign this Agreement or any of its rights hereunder or sublease the Cars to any party. Any purported assignment or sublease without such consent shall be void. Such written consent required by this paragraph shall not be unreasonably withheld.

Without limiting the generality of the preceding paragraph, BRAE may assign this Agreement, as it relates to specified Cars, to the owner of such Cars, provided that BRAE or one of its affiliates enters into a management agreement with such owner relating to its Cars upon terms generally similar to those prevailing in the industry. Upon delivery to Lessee of a notice signed by BRAE regarding such an assignment and the effectiveness of the related management agreement (i) the term "BRAE" when used herein shall mean with respect to such Cars, their owner, (ii) BRAE shall be relieved of all of its obligations and liabilities under this Agreement relating to such Cars and (iii) Lessee shall with respect to such Cars look solely to their owner for the performance of BRAE's obligations hereunder. Lessee hereby agrees that any such assignment may relate to all or part of the Cars and all or part of the Cars listed on any Schedule.

B. Each party agrees to execute the documents contemplated by this Agreement and such other documents as may be required in furtherance of any agreement entered into in connection with the acquisition of the Cars or in order to confirm the owner's interest in and to the Cars, this Agreement and the schedules or to confirm the subordination provisions contained in Section 7.

C. This Agreement constitutes a lease of the Cars only. No joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee.

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

E. This Agreement shall be governed by the laws of the State of California.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or 72 hours after deposit in the United States mail, postage prepaid, certified or registered, addressed as follows:

If to BRAE:

BRAE Corporation
Three Embarcadero Center
San Francisco, CA 94111

Attention: Director of
Operations

If to Lessee:

Atlantic & Western Financial
Corporation
P.O. Box 1208
Sanford, North Carolina 27330

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

BRAE CORPORATION

ATLANTIC & WESTERN RAILWAY COMPANY

By 

By 

Title PRESIDENT

Title VICE PRESIDENT

Date 3-28-80

Date 3/26/80

EQUIPMENT SCHEDULE NO. ONE

BRAE CORPORATION agrees to lease the following rail-cars to ATLANTIC & WESTERN RAILWAY CO., pursuant to the Lease Agreement dated as of February 18, 1980.

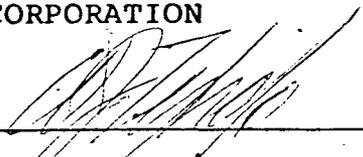
| A.A.R. Mech. Design Cars | Description | Numbers | Dimensions | | | Doors Width | No. of Cars |
|-----------------------------------|-----------------|-----------------|------------|-----------------|--------|----------------|-------------------|
| | | | Length | Inside Width | Height | | |
| LO | Covered Hoppers | ATW 7,000-7,199 | | | | | 200 |

SHIPPER: BARTLETT AND COMPANY GRAIN

SHIPPER AGREEMENT: AGREEMENT dated February 8, 1980, among Atlantic & Western Railway Company, Bartlett And Company Grain, and BRAE Corporation

LESSOR:

BRAE CORPORATION

By 

Title PRESIDENT

Date 3-28-80

LESSEE:

ATLANTIC & WESTERN RAILWAY COMPANY

By 

Title Vice-President

Date March 26, 1980

STATE OF NORTH CAROLINA)
COUNTY OF LEE)

On this 26th day of March, 1980, before me personally appeared William B. Joyce, to me personally known, who being by me duly sworn says that such person is Vice-President of Atlantic and Western Railway Co. and that the foregoing Lease Agreement, Rider(s) No. _____ and Equipment Schedule(s) No. _____ were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free acts and deeds of such corporation.

Pauline Collins
Notary Public

[seal]

My Commission Expires:

Dec 10, 1984

STATE OF CALIFORNIA)
CITY AND COUNTY OF SAN FRANCISCO)

On this 28th day of March, 1980, before me personally appeared William B. Joyce, to me personally known, who being by me duly sworn says that such person is President of BRAE CORPORATION, and that the foregoing Lease Agreement, Rider(s) No. _____ and Equipment Schedule(s) No. _____ were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free acts and deeds of such corporation.

Susan M. Codeglia
Notary Public

[seal]

