

LAW OFFICES OF
ROBERT A. DOUGLASS, P.A.
8351 BLIND PASS ROAD, SUITE B
ST. PETERSBURG BEACH, FLORIDA 33706
TELEPHONE (813) 360-6954

ROBERT A. DOUGLASS
TRIAL PRACTICE
PERSONAL INJURY AND WRONGFUL DEATH
CORPORATION AND BUSINESS LAW

1 5739
RECORDATION NO. _____ FILED 1988

JUL 25 1988 - 11 30 AM

INTERSTATE COMMERCE COMMISSION

August 11, 1988

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Avenue N.W.
Room 2303
Washington, D.C. 20423

RE: Railmark, Inc. to CSX Transportation, Inc.
39 Open Hopper Cars

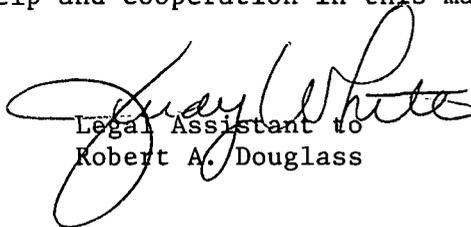
Dear Ms. Lee:

In accordance with our telephone conversation on this date, please find enclosed two (2) copies of the Lease Agreement and two (2) copies of the Assignment of Lease Agreement, together with a check in the amount of \$13.00, to cover the cost of recordation. Lessor and Lessee are as follows:

Lessor: Railmark, Inc.
4300 Duhme Road
Suite A
Madeira Beach, FL 33708

Lessee: CSX Transportation, Inc.
100 North Charles St.
Baltimore, MD 21201

If anything further is required to complete this recordation, please contact me. Thank you for your help and cooperation in this matter.


Legal Assistant to
Robert A. Douglass

JKW:sjn
Encl.

ANTHONY RONDOLINO
TRIAL PRACTICE - GENERAL
WILLS, ESTATE AND ESTATE PLANNING
REAL PROPERTY LAW

1 5739-A
RECORDATION NO. _____ FILED 1988

JUL 25 1988 - 11 30 AM

INTERSTATE COMMERCE COMMISSION

1 5739-B
RECORDATION NO. _____ FILED 1988

JUL 25 1988 - 11 30 AM

INTERSTATE COMMERCE COMMISSION

LAW OFFICES OF
ROBERT A. DOUGLASS, P.A.
8351 BLIND PASS ROAD, SUITE B
ST. PETERSBURG BEACH, FLORIDA 33706
TELEPHONE (813) 360-6954

~~RECORDED~~
~~JUL 25 1988 11:30 AM~~

INTERSTATE COMMERCE COMMISSION

ROBERT A. DOUGLASS
TRIAL PRACTICE
PERSONAL INJURY AND WRONGFUL DEATH
CORPORATION AND BUSINESS LAW

1 5739
RECORDATION NO. FILE NO.

JUL 25 1988 - 11/30 AM

INTERSTATE COMMERCE COMMISSION

ANTHONY RONDOLINO
TRIAL PRACTICE - GENERAL
WILLS, ESTATE AND ESTATE PLANNING
REAL PROPERTY LAW

8-207A018

No. JUL 25 1988
Date

Fee \$ 13.00

ICC Washington, D. C.

July 20, 1988

Secretary
Interstate Commerce Commission
Washington, D.C. 20432

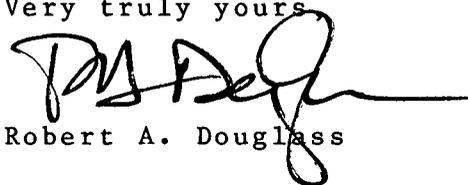
RE: 39 Open Hopper Cars - Railmark, Inc. to CSX Transportation, Inc.

Dear Sirs:

Please find enclosed an original and one (1) true copy of an executed Lease Agreement in connection with the above captioned transaction, together with a check in the amount of \$10.00 for recordation of same.

Please advise if anything further is required to accomplish the proposed filing.

Very truly yours



Robert A. Douglass

RAD:jw
Encl.

ICC OFFICE OF
THE SECRETARY
JUL 21 2 54 PM '88
MOTOR OPERATING UNIT

ICC OFFICE OF
THE SECRETARY
JUL 25 11 26 AM '88
MOTOR OPERATING UNIT

LAW OFFICES OF
ROBERT A. DOUGLASS, P.A.
8381 BLIND PASS ROAD, SUITE B
ST. PETERSBURG BEACH, FLORIDA 33706
TELEPHONE (813) 360-8984

ROBERT A. DOUGLASS
TRIAL PRACTICE
PERSONAL INJURY AND WRONGFUL DEATH
CORPORATION AND BUSINESS LAW

ANTHONY RONDOLINO
TRIAL PRACTICE - GENERAL
WILLS, ESTATE AND ESTATE PLANNING
REAL PROPERTY LAW

July 22, 1988

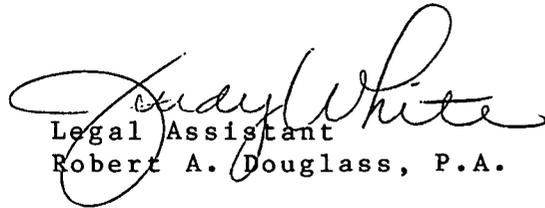
Ms. Mildred Lee
Interstate Commerce Commission
12th & Constitution Avenue N.W.
Room 2303
Washington, D.C. 20423

RE: Railmark, Inc. to CSX Transportation, Inc.
39 Open Hopper Cars

Dear Mrs. Lee:

In accordance with our telephone conversation on this date, please find enclosed a check in the amount of \$3.00 which represents the additional sums needed to record the above captioned Lease Agreement which has been previously forwarded to your office.

Thank you for your help in this matter.


Legal Assistant
Robert A. Douglass, P.A.

jw
Encl.

Interstate Commerce Commission
Washington, D.C. 20423

8/2/88

OFFICE OF THE SECRETARY

Robert A. Douglass,
8351 Blind Pass Road Suite 8
St Petersburg Beach, Florida 33706

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 7/25/88 at 11:30am, and assigned recordation number(s). 15739, 15739 A + 15739-B

Sincerely yours,

Neville R. McEwen

Secretary

Enclosure(s)

loc

1 5739

REGISTRATION NO. _____ FILE NO. _____

LEASE AGREEMENT FOR JUL 25 1988

RAILROAD FREIGHT CAR INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of the 13th day of April, 1987 by and between TCCX CORPORATION, a Texas corporation (hereinafter called "Lessor"), and CSX TRANSPORTATION, INC. a Virginia corporation, with its principal place of business at 100 North Charles St., Baltimore, MD 21201 (hereinafter called "Lessee").

WITNESSETH:

§ 1. EQUIPMENT DESCRIPTION - Lessor presently owns thirty-nine, one hundred (100) ton capacity, two pocket open hopper cars (hereinafter collectively referred to as the "cars" and separately as a "car") more particularly described in the attached Exhibit A.

§ 2. LEASE - Lessor shall furnish and lease to Lessee, and Lessee shall accept, and use, the cars on the terms and conditions set forth herein and in the exhibits attached hereto.

§ 3. TERM - The term of this agreement, and use of the cars hereinabove described, shall commence on the date of delivery thereof to Lessee, and shall continue for a period ending one (1) year from the first day of the month following the average date of delivery of such cars to Lessee; provided, however, that upon ninety (90) days prior written notice to Lessor, Lessee shall have the right to renew the lease for an additional period and rental rate to be negotiated by Lessee and Lessor, and satisfactory to Lessor in its sole discretion.

In the event of the loss or destruction of any car, this Agreement with respect to such car shall continue until Lessee pays to Lessor the settlement value of such car as determined immediately prior to such loss or destruction.

§ 4. DELIVERY - Lessor agrees to expedite shipment of the cars as instructed by Lessee. All cars will be deemed to be accepted by Lessee at the time of receipt of each car at the point(s) designated by Lessee. Any and all freight charges incurred in the shipment of said cars to the designated delivery point, shall be the responsibility of Lessor.

§ 5. INSPECTION - Each of the cars will be subject to a joint inspection on both the delivery and return dates. The inspections will be conducted at the interchange points or other mutually agreeable locations. The condition of the car will be noted on an inspection form, a blank copy of which is attached as Exhibit B. All cars must be tendered at delivery in good operating condition, free of all mechanical defects and suitable for transportation of the commodities described in Paragraph 9. The cars will be returned in the same condition as received, excepting reasonable wear and tear, which includes the use of heat or snakes, and the passage of time. If a car is in need of repair prior to delivery or return, a mutually agreeable repair schedule shall be developed and a separate inspection will be held, at the repair facility, after repairs have been made. Should either party waive inspection, the records of the other party will control regarding the condition of the car on that date.

§ 6. MARKINGS - At the time of delivery the cars will be plainly marked, on each side and end, with identification marks as currently assigned to Lessor.

§ 7. RENTAL - The monthly rental for each of the cars is \$325.00 per car, payable semi-annually in advance on the first day of each semi-annual period commencing May 1, 1987 prorating, however, any portion which is less than a full period. The rental will accrue from date of delivery to the date of return or other settlement as provided herein. All rentals shall be paid to RAILMARK, Inc., Agent for TCCX Corporation, at its principal office, 4300 Duhme Rd., Suite A., Madeira Beach, FL 33708.

§ 8. MILEAGE ALLOWANCE PAYMENTS - All cars will bear private reporting marks. Lessor shall collect all mileage allowance payments earned by cars, subject to all applicable tariffs or circulars. Lessor shall forward such payments including any excess of the payments over the Rental payments to Lessee on a monthly basis within 60 days after the end of each calendar month. Mileage allowance payments for all cars covered by this Lease shall be carried in a consolidated account. No payments will apply when the cars are on the lines of Lessee or any of its rail affiliates.

§ 9. USAGE - It is understood that the aforesaid cars are to be used in Stone, Aggregate, and like commodities service only, and shall not, under any circumstances, be used for shipment of any other commodity without the prior written consent of Lessor. It is further understood that Lessee shall not sublease said cars, under any circumstances, without the prior written consent of Lessor.

§ 10. MAINTENANCE AND REPAIRS - During the term hereof, the Lessee, at its own cost and expense, will repair and maintain the cars in good condition and in accordance with the Rules of Interchange of the Association of American Railroads (or any successor thereto), and will comply with all governmental laws, regulations and requirements and with said Rules of Interchange with respect to the use, maintenance and operation of cars. Any parts installed or replacements made upon the cars by the Lessee shall be considered accessions to the car and title thereto shall be immediately vested to the Lessor, with no cost or expense to the Lessor.

§ 11. CAR RETURN - Upon the termination of this Agreement with respect to any of the cars subject hereto, Lessee agrees to return the cars to Lessor free from all charges, including return freight charges on CSXT or successors lines and liens, and in an empty and clean condition. If any car is returned in an unclean condition, Lessee may either clean the car or reimburse Lessor for such cleaning costs, and rental for that car shall continue until the car is returned in clean condition. If Lessor does not wish to inspect and/or accept the cars on the date of return tender, Lessee's inspection report will be deemed as conclusive regarding the condition of the car at time of return tender, rental payments will cease and a free time period of up to ninety (90) days will apply within which to provide forwarding instructions. After expiration of the free time, a charge set by Lessee, in its sole discretion, will apply until instructions are received. Lessee is not responsible for loss, damage, maintenance or repair to the cars after the date of return tender while cars are in storage,

§ 12. DESTRUCTION OF CAR - If a car is damaged or destroyed beyond economic repair, the car will be removed from Lessee's service. Additionally, Lessee may remove a car from its service if, in Lessee's sole opinion, the car has become worn out, obsolete or economically unserviceable. No replacement car will be furnished unless agreed to by both parties. Lessee has the option of either having the car repaired or of making a settlement value payment to Lessor or the owner in the appropriate amount contained in Exhibit C. Settlement value payment will apply whether the destruction or damage to the car occurs on or off Lessee's lines and be made at the time of the next scheduled rental payment.

§ 13. INDEMNITY - The Lessee agrees to indemnify and save harmless the Lessor and Lender against any charges or claim made against the Lessor, and against any expense, loss or liability (including but not limited to counsel fees and expenses, penalties and interest) which the Lessor may incur in any manner (unless resulting from the Lessor's sole or to the extent of Lessor's joint negligence or as otherwise provided herein) by reason of entering into or the performance of this Lease or the ownership of, or which may arise in any manner out of or as a result of the use, operation, condition, delivery, rejection, storage or return of, any car until such car is returned to the Lessor in accordance with the terms of the Lease, and to indemnify and save harmless the Lessor, except as provided in this paragraph, and Lender against any charge, claim, expense, loss or liability on the account of any accident in connection with the operation, use, condition, possession or storage of such car resulting in damage to property or injury or death to any person. The indemnities contained in this paragraph shall survive payment or performance of all other obligations under this Lease or the termination of this Lease.

§ 14. TAXES AND OTHER CHARGES - Lessee shall pay and indemnify and hold Lessor harmless from all:

a.) taxes including, without limitation, any taxes (withholding or otherwise), including personal property taxes imposed by the United States, Canada or Mexico, or any state or province thereof or any governmental or administrative subdivision thereof, and any sales and/or use taxes, gross receipts, franchise and single business taxes, and;

b.) license fees, assessments, charges, fines, levies, imposts, duties, tariffs, customs, switching, and demurrage,

including penalties and interest thereon, levied or imposed by any foreign, federal, state or local government or taxing authority, railroad or other agency upon or with respect to the cars, or Lessor in connection with the cars or this agreement. Lessee has the right, however, to protect all such taxes or other charges that it feels are improperly or unfairly assessed.

c.) Notwithstanding the provisions of paragraph 14 a.), Lessor is solely responsible for the payment of all income taxes assessed against it for any rental payments or other income received under this agreement.

§ 15. ASSIGNMENT, TRANSFERS, ENCUMBRANCES - All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the cars, with or without notice to Lessee. In such event, this Agreement and all rights of Lessee hereunder or those of any person, firm or corporation who claims or who may hereafter claim any rights in this Agreement under or through Lessee, are hereby made subject and subordinate to the terms, covenants and conditions of any chattel mortgage, conditional sale agreement, equipment trust agreement or other agreements or assignments covering the cars heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee or other holder of legal title to or security interest in the cars; provided, however, that so long as Lessee is not in default hereunder Lessee shall be entitled to use the cars in accordance with the terms and conditions hereof.

§ 16. WARRANTIES AND REPRESENTATIONS - LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE CARS. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY CLAIMS CAUSED BY THE CARS OR BY ANY DEFECT THEREIN. During the term of this Agreement and so long as Lessee renders faithful performance of its obligations, Lessor hereby assigns any factory or dealer warranty, whether express or implied, or other legal right Lessor may have against the manufacturer in connection with defects in the cars covered by this Agreement. Notwithstanding the foregoing, Lessor does warrant that, at the time of delivery, the cars will be suitable for the transportation of the commodities described in Paragraph 9.

§ 17. RIGHT OF INSPECTION - Lessor or its assignee shall have the right, at any reasonable time, and without interfering with Lessee's operations, as solely determined by Lessee, to inspect the cars, by its authorized representative, wherever they may be located, for the purpose of determining compliance by Lessee with its obligations hereunder.

§ 18. DEFAULT - If Lessee shall fail to perform any of its obligations hereunder, after receipt of thirty (30) days written notice from Lessor specifying such failure, Lessor at its election may either: (a) terminate this Agreement immediately and repossess the cars; or, (b) withdraw the cars from the service of Lessee and deliver the same, or any thereof, to others upon such terms as Lessor may see fit. If Lessor shall elect to proceed in accordance with clause (b) above and if Lessor during the balance of the term of this Agreement shall fail to collect for the use of the cars a sum at least equal to all unpaid rentals hereunder to the stated date of termination hereof plus an amount equal to all expenses of withdrawing the cars from the service of Lessee and collecting the earnings thereof, Lessee agrees to pay from time to time upon demand by Lessor the amount of any such deficiency. It is expressly understood that Lessor at its option may terminate this Agreement in the event that a petition in bankruptcy or a petition for a trustee or receiver be filed by or against Lessee or in the event that Lessee shall make an assignment for creditors.

§ 19. GOVERNING LAW - This Agreement shall be interpreted under and performance shall be governed by the laws of the state of Virginia.

§ 20. CAR MODIFICATION - Should any car require modification pursuant to a regulation of the U.S. Department of Transportation or other agency having jurisdiction over the operation or use of the cars, Lessor shall be responsible for such modifications at its own expense. Rental will continue while modifications are made and the term will be extended by the number of months obtained by dividing the number of modified cars into the cost of such modification.

§ 21. NOTICES - Unless otherwise provided, any notice sent pursuant to this Agreement must be in writing and addressed as follows:

To Lessor: Railmark, Inc.
Agent for TCCX Corporation
4300 Duhme Road, Suite A
Madeira Beach, FL 33708

To Lessee: CSX Transportation, Inc.
Treasury Department - S/C 213
100 North Charles Street
Baltimore, Md 21201

§ 22. NON-WAIVER - The failure of either party to enforce any provision of this Agreement or to prosecute any default shall not be considered as a waiver of that provision or as a bar to the prosecution of that default unless so indicated in writing.

§ 23. CONFIDENTIALITY - Neither party may disclose the provisions of this Agreement to a third party excluding any parent, affiliate or subsidiary company, without the written consent of the other party, unless otherwise required by law or as provided in any sublease or assignment.

§ 24. TITLES - All titles to paragraphs are for the information and convenience of the parties and are not substantive.

§ 25. ENTIRE UNDERSTANDING - This Agreement constitutes the entire understanding of the parties, and shall be binding upon them, their respective successors, assigns and legal representatives. It shall remain in full force and effect until all cars have been tendered to Lessor. Any modification to this Agreement must be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in two counterparts (each of which shall be deemed an original) the day and year first above written.

TCCX Corporation
(Lessor)

DATE: 4/13/87

BY: James B. Burgard

CSX TRANSPORTATION, INC.
(Lessee)

DATE: 4/13/87

BY: [Signature]

EXHIBIT A - 1

EQUIPMENT DESCRIPTION, RAILROAD CARS LEASED BY CSXT, INC.
FROM TCCX CORPORATION.

- A.) Twenty-five (25) used, 100 ton, 2100 c.f., two pocket
open hopper cars built during 1978 by GSC.

Car Numbers: TCCX 01-25 inclusive

Original cost \$28,700 each

- B.) Fourteen (14) used, 100 ton, 2000 c.f., two pocket
open hopper cars built during 1979 by Portec.

Car Numbers: TCCX 346-359 inclusive

Original cost \$32,400

EXHIBIT C

SEMI ANNUAL CASUALTY PAYOFFS

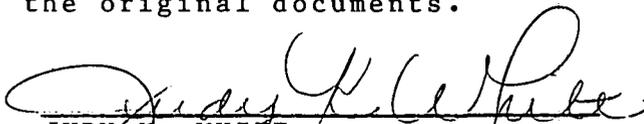
<u>OCCURRENCE DATE</u>	<u>CASUALTY VALUE *</u>
04/15/87 TO 10/14/87	\$22,000
10/15/87 TO 04/14/88	\$21,750
04/15/88 TO 10/14/88	\$21,500
10/15/88 TO 04/14/89	\$21,000
04/15/89 and Beyond	Lessor shall furnish settlement value(s) as required.

* Assumes rental payment, through casualty date,
has been made.

4/1/87

CERTIFICATION

I HEREBY CERTIFY that the attached Memorandum of Lease Agreement is a true copy of the original document and I have compared the attached copy with the original and have found the copy to be complete and identical in all respects with the original documents.


JUDY K. WHITE
Legal Assistant

STATE OF FLORIDA
COUNTY OF PINELLAS

SWORN TO and subscribed before me this 19th day of July, 1988,
at St. Petersburg Beach, Pinellas County, Florida.


Notary Public

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP JUNE 12, 1992
BONDED THRU GENERAL INS. UND.