CSX TRANSPORTATION

CSX DISTRIBUTION SERVICES & CSX EQUIPMENT

Robert F. Hochwarth
Senior Counsel

100 North Charles Street
Baltimore, MD 21201
(301) 237-4605

1 5828
RECORDATION NO. FILED 1988
SEP 19 1988 12 15 PM
INTERSTATE COMMERCE COMMISSION
Date 9/19/88
Fee $ 13

September 16, 1988

8-263A019

Honorable Noreta R. McGee, Secretary
Interstate Commerce Commission
Recordation Unit
12th St. & Constitution Ave., N.W.
Washington, DC 20423

ICC Washington, D. C.
No.
Date SEP 19 1988
Fee $ 26.00
ICC Washington, D. C.

Dear Ms. McGee:

Enclosed for filing and recordation under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder are four copies of a Lease of Railroad Equipment dated as of September 1, 1988, which is a primary document not previously recorded.

The parties to the enclosed Lease of Railroad Equipment are as follows:

The Baltimore and Ohio Chicago Terminal Railroad Company
(Lessor)
100 North Charles Street
Baltimore, MD 21201

CSX Transportation, Inc. (Lessee)
100 North Charles Street
Baltimore, MD 21201

The said lease provides for the lease by Lessor to Lessee of 2,000 100-ton 4750 cu. ft. covered hopper cars to bear Lessee's road numbers CSXT-259000 - CSXT-260999, inclusive.

A short summary of the document to appear in the ICC docket is as follows:

"Covers 2,000 CSXT 100-ton 4750 cu. ft. covered hopper cars"

Enclosed is a check in the amount of $13 in payment of the filing fee. Please return to the undersigned stamped counterparts of the lease not needed for your files, together with the fee receipt, the letter from the Interstate Commerce Commission acknowledging the filing and an extra copy of this transmittal letter.

Very truly yours,

R. F. Hochwarth

RFH/mw
Enclosures

CSX Distribution Services, CSX Equipment, CSX Rail Transport and American Commercial Lines are units of CSX Transportation, Inc. and its affiliates.

Interstate Commerce Commission
Washington, D.C. 20423

9/19/88

OFFICE OF THE SECRETARY

Robert F. Hochworth
Senior Counsel
CSX Transportation, Inc.
100 North Charles Street
Baltimore, MD. 21201

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 9/19/88 at 12:15pm , and assigned recordation number(s) 15828 & 15829

Sincerely yours,

Noreta R. McGee

Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 15828 Filed 1986
SEP 19 1988 12 15 PM
INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

THIS AGREEMENT OF LEASE, dated as of September 1, 1988, by and between THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Illinois (hereinafter called "Lessor"), and CSX TRANSPORTATION, INC., a corporation duly organized and existing under the laws of the State of Virginia (hereinafter called "Lessee").

W I T N E S S E T H:

WHEREAS, Lessor has contracted to purchase from Trinity Industries, Inc. (the "Manufacturer") 2,000 100-ton 4750 cubic feet covered hopper cars to bear Lessee road numbers 259000 - 260999, inclusive, (hereinafter called the "Cars"), and Lessor desires to lease the Cars to Lessee and Lessee desires to hire the same from Lessor.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

(1) Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the Cars for a term commencing with the date of this Lease and concluding September 1, 1998, at the rental and upon the terms and conditions herein contained.

(2) Upon delivery of a Car by the Manufacturer Lessee shall inspect the same and if found in proper order and condition shall

cause to be executed and delivered a Certificate of Acceptance whereupon such Car shall be subject to the terms of this Lease.

(3) Subject to the provisions of Section (9) hereof, for the use of the Cars during the term of this Lease, Lessee shall pay to Lessor for each Car twenty successive semiannual payments in arrears commencing March 1, 1989 and ending September 1, 1998 each in an amount equal to the product of the Rent Factor for each Car as shown on Schedule A hereto multiplied by the Lessor's cost of such Car.

(4) Lessee shall also pay to the proper Governmental authority any and all taxes, assessments, or Governmental charges that may be imposed upon or in respect to the Cars by reason of or in connection with Lessee's possession or use thereof under this Lease. It is understood, however, that Lessee shall not be required to pay or discharge any such amount so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor in and to the Cars.

(5) Lessee will, during the term of this Lease, keep and maintain Lessor's markings and numbers on the Cars and will replace immediately any such markings that may become defaced or illegible, wholly or in part.

(6) During the term of this Lease and subject to the provisions of Section (10) hereof, Lessee, so long as it shall not be in default hereunder, shall be entitled to possession of the Cars and the use thereof on lines of railroad owned or operated by it,

or over which it has trackage rights or rights for operation of its trains and in the usual interchange of traffic.

(7) During the term of this Lease, Lessee will, at its own expense, (a) comply with all laws and regulations of any State of Governmental authority respecting the manner of using or operating the Cars, (b) Maintain and keep the Cars in good order and repair at all times, and (c) keep the Cars free from any liens or encumbrances that might affect the title and interest of the Lessor in and to the Cars.

(8) During the term of this Lease, the possession, use, operation, and maintenance of the Cars shall be at the sole risk and expense of Lessee, and Lessee shall assume and be solely responsible for and shall indemnify and save harmless Lessor from and against (a) any and all loss, destruction, or damage, usual wear and tear excepted, of or to the Cars, and (b) any and all claims, demands, suits, judgments, or causes of action for or on account of injury to or death of persons, or loss or destruction of or damage to property, which may result from or arise in any manner out of the presence, use, or operation of the Cars while in the possession of Lessee under this Lease.

(9) In the event that any of the Cars shall be or become worn out, lost, destroyed, or irreparably damaged (any such event being hereinafter called a casualty occurrence) from any cause whatsoever prior to termination of this Lease, Lessee shall, promptly after it has knowledge of such event, fully notify Lessor in regard thereto. On the next succeeding rental payment date, Lessee shall pay to Lessor the Casualty Value of each Car

suffering a casualty occurrence, and rentals shall immediately cease with respect to such Cars. Title to such Cars and the right to collect salvage thereon shall vest in Lessee immediately upon a casualty occurrence. The Casualty Value of each Car shall be that percentage of the Lessor's cost of such Car set forth in Schedule A opposite such rental payment date.

(10) Lessee shall not assign or transfer this Lease, or any of its rights or obligations hereunder, or transfer or sublet any of the Cars, without the written consent of Lessor first had and obtained.

(11) Lessee covenants that in case at any time during the term of this Lease it shall fail or refuse to comply with any of the covenants or agreements herein contained, and shall continue in such failure or refusal for a period of thirty (30) days after written notice, specifying such failure, shall be given to it by Lessor, then Lessor shall have the right, at its election, by notice in writing given to Lessee to terminate this Lease, and all of the rights of Lessee in respect to the Cars shall forthwith cease; and Lessor shall be entitled without further demand or formality forthwith to take possession of the Cars without prejudice to any rights or remedies Lessor may have for recovery of rental or breach of covenant or otherwise; or Lessor may lease the Cars to others on such terms and conditions and for such amount as shall seem best to it for the remainder of the term or any part thereof for the account of Lessor, which shall make good any deficiency. Any waiver by Lessor of one or more defaults on

the part of Lessee shall not in any way impair the right of Lessor to take advantage of any other default or defaults of Lessee.

(12) Lessee covenants that it will from time to time upon the request of Lessor execute and deliver such instruments, make such reports, give such information, and do or cause to be done, any and all such further acts and things as may be necessary or proper to carry out and make effective the purposes of this Lease.

(13) This Lease may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together will constitute but one and the same Lease, which will be sufficiently evidenced by any such original counterpart.

(14) Lessor covenants that Lessee shall lawfully, peacefully, and quietly hold, possess and enjoy the Cars, without any let, hindrance, dispossession, or interference by Lessor or anyone lawfully claiming by, through or under Lessor, except pursuant to the provisions of this Lease.

(15) This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed as of the date first above written.

THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY

By _____
Treasurer

ATTEST:

_____
Assistant Secretary

CSX TRANSPORTATION, INC.

By _____
AVP & Gen. - Equip. Unit

ATTEST:

_____
Assistant Secretary

State of Maryland)
City) ss:
~~County~~ of Baltimore)

On this 13th day of Sept., 1988, before me personally appeared A. B. Ostrom, to me personally known, who, being by me duly sworn, says that he is Treasurer of The Baltimore and Ohio Chicago Terminal Railroad Company, that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

H. Marlene Winchell
Notary Public

My Commission expires:

H. MARLENE WINCHELL
BALTO. CO., MD.
My Commission Expires July 1, 1990

State of Maryland)
) ss:
City of Baltimore)

On this 13th day of Sept., 1988, before me personally appeared Denis J. Voisard, to me personally known, who, being by me duly sworn, says that he is Assistant Vice-President and Treasurer - Equipment Unit of CSX Transportation, Inc., that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

H. Marlene Winchell
Notary Public

My Commission expires:

H. MARLENE WINCHELL
BALTO. CO., MD.
My Commission Expires July 1, 1990

Schedule A

Rent Payment Date	Rent Factor %	Loss Value %
3/89	6.3687	100.1543536
9/89	6.3687	98.6241437
3/90	6.3687	96.8526301
9/90	6.3687	94.8235855
3/91	6.3687	92.5582160
9/91	6.3687	90.0769038
3/92	6.3687	87.3927663
9/92	6.3687	84.5189059
3/93	6.3687	81.4650384
9/93	6.3687	78.2386569
3/94	7.7839	73.4091282
9/94	7.7839	68.3485246
3/95	7.7839	63.0561463
9/95	7.7839	57.5263374
3/96	7.7839	51.7758634
9/96	7.7839	45.8092711
3/97	7.7839	39.6467022
9/97	7.7839	33.2915410
3/98	7.7839	26.7465795
9/98	7.7839	20.0000000