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RECORDATION NO. 1 5864 FILED 1988

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OCT 11 1988 - 9 25 AM

INTERSTATE COMMERCE COMMISSION

October 11, 1988

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Room 2215  
Washington, D.C. 20423

100-511-100  
OCT 11 9 30 AM '88  
MOTOR CARRIER DIVISION

Dear Ms. McGee:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. §11303 are the original and one copy of the document hereinafter described. It relates to the railroad equipment identified below.

1. Lease Agreement dated as of December 1, 1984 between Brae Transportation, Inc., as lessor and Seaboard System Railroad, as lessee.

The equipment subject to this agreement consists of 392 railcars bearing the marks SBD 253011 through 253110 inclusive; and SBD 253112 through 253403, inclusive.

The names and addresses of the parties to the documents are as follows:

Lessor: Brae Transportation, Inc.  
One Hundred Sixty Spear St.  
San Francisco, CA 94105

Lessee: Seaboard System Railroad  
500 Water Street  
Jacksonville, FL. 32202

A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the person presenting this letter.

A short summary of each document to appear in the index follows:

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1. Lease Agreement dated as of April 16, 1987 between Brae Transportation, Inc. and Seaboard System Railroad, covering railcars marked SBD 253011 through 253110 and SBD 253112 through 253403.

Very truly yours,



Robert G. Corber  
Attorney for Brae  
Transportation, Inc.

Enclosures as stated

OCT 11 1982 9 35 AM

DATE: ~~INTERSTATE COMMERCE COMMISSION~~

PARTIES: BRAE Transportation, Inc., Four Embarcadero Center, Suite 3100, San Francisco, CA 94111 ("BRAE"), and Seaboard System Railroads, Inc., 500 Water Street, Jacksonville, FL 32202 ("SBD").

RECITALS:

- A. BRAE desires to permit SBD to use 602 box cars (the "Cars") that BRAE owns or manages for loading on the SBD railroad tracks and SBD desires to use the Cars in accordance with the terms and conditions hereof.
- B. In consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

AGREEMENT:

1. Obligations of Parties Prior to Delivery. Prior to delivering the Cars to SBD, BRAE will advise SBD of the identifying marks borne by the Cars. BRAE will obtain all necessary concurrences prior to delivering the Cars. SBD shall furnish to BRAE such information regarding railcar loadings ("Loading Statistics") on the SBD tracks as BRAE may reasonably request. The Cars will be listed and described by BRAE on the Equipment Schedule attached hereto.
2. Delivery of Cars. BRAE shall use best efforts to deliver the Cars to SBD at an interchange point on SBD or Chessie Systems Railroads, Inc. ("CSR") tracks as soon as possible after execution of this Agreement. SBD shall use best efforts to assist BRAE in minimizing any transportation costs incurred in delivering the Cars to SBD. BRAE shall be responsible for such transportation costs incurred in delivering the Cars to a CSR or SBD interchange point. BRAE has the right, upon thirty (30) days written notice, to replace any or all of the Cars with new, used, or rebuilt Cars of the same general class and type.
3. Compensation. As provided in Section ~~2~~ hereof, BRAE shall be entitled to any car hire revenue earned by the Cars, including, but not limited to, any mileage and/or per diem payments received from other railroads for their use and handling of the Cars. The Cars will be free of all car hire charges while on SBD or CSR tracks. SBD has the right to grant car hire relief to other railroads to incent them to reload the cars. SBD shall remit any such revenue received from other railroads, less any car hire reclaim granted by SBD to other railroads described herein, within 70 days after the end of the calendar month in which such sums are earned. SBD will use its best efforts to maintain the off-line utilization of the Cars at no less than the average off-line utilization of similar SBD box cars. As

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used herein, the term "off-line utilization" shall refer to the percentage of time during any period during the term hereof during which the Cars are earning car hire revenue.

4. Term. This Agreement shall commence upon the date hereof and shall terminate on June 29, 1987.
5. Early Termination. If "off-line utilization" of the Cars is at 27 percent, or below, for a consecutive period of one hundred twenty (120) days, BRAE has the right to terminate this Agreement upon thirty (30) days written notice to SBD.
6. Responsibilities of BRAE. BRAE shall be responsible for the maintenance, property tax and insurance costs for the Cars not otherwise the responsibility of SBD under the AAR Interchange Rules while this Agreement is in effect.
7. Obligations of SBD. SBD shall, pursuant to the Interchange Rules, inspect all cars interchanged to it to insure that such Cars do not contain refuse, and are in good repair, condition and working order. SBD shall also secure from interchanging lines any documentation prescribed by the AAR Interchange Rules for damaged Cars, and promptly mail such documentation to BRAE. SBD shall be liable to BRAE for any cleaning, servicing, or repairs required but not noted at the time of interchange. SBD shall be responsible for the Cars while they are on the SBD tracks in accordance with the AAR Interchange Rules. Any charges incurred by SBD for owner repairs per the AAR Interchange Rules shall be the responsibility of BRAE. SBD shall not alter the physical structure of any Car without the prior written consent of BRAE. SBD shall also promptly report to BRAE any damage or other condition of any Car which SBD considers will make such Car unsuitable for use. In the event any Car is damaged beyond repair, destroyed or otherwise lost, SBD shall immediately notify BRAE of such event, and shall promptly pay to BRAE any and all amounts received by it with respect to any such Car. SBD shall not have any obligations not set forth in this Agreement.
8. Termination. At the termination of this Agreement, SBD will surrender possession of the Cars to BRAE free of refuse in condition for interchange service, free of any Rule 95, Section B, defects and suitable for loading. For any Car not returned in the condition required hereby, SBD shall be liable to BRAE for any and all cleaning, repair or servicing costs required to place such Car in such proper condition. SBD shall redeliver the Cars at no cost to BRAE at such point or points on the SBD or CSR railroad lines as BRAE shall designate. SBD will deliver the cars, free of charge, to the SBD or CSR interchange points which BRAE shall designate.
9. Reports. SBD shall supply BRAE with such reports regarding the Loading and use of the Cars as BRAE may reasonably request.

10. Car Hire Revenue SBD hereby acknowledges that it shall have no right to any car hire revenue earned by the Cars, including, but not limited to, any mileage and/or per diem payments, and that BRAE shall be entitled to all such car hire revenue.
11. Remarking of Cars. SBD, at its sole expense, shall bear any and all costs incurred in connection with the remarking of the Cars with SBD markings. SBD, at its sole expense, shall bear any and all costs incurred in connection with the repainting and restencilling of the Cars and the placing thereon of the name or other insignia of SBD, should such repainting and restencilling be deemed necessary by SBD. BRAE shall be responsible for costs incurred in remarking replacement cars.
12. Inspection. At any time during normal business hours, BRAE shall have the right to enter the premises of SBD to inspect the Cars or to inspect the records kept by SBD with respect to the Cars.
13. Indemnification. SBD shall defend, indemnify and hold BRAE harmless from all claims, suits, liabilities, losses, damages, costs and expenses, including attorney's fees, in any way arising out of or resulting from the condition, use, loss of use, maintenance or operation of the Cars, except as otherwise provided herein.
14. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed delivered upon actual receipt by the party to whom addressed, at the appropriate address shown in the preamble hereto.

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

BRAE TRANSPORTATION, INC.

By

Printed Name LAWRENCE W. BRISCOE

Title EXECUTIVE VICE PRESIDENT

SEABOARD SYSTEM RAILROADS, INC.

By

Printed Name K.C. Dufford

Title Vice President - Transportation

EQUIPMENT SCHEDULE 1

BRAE TRANSPORTATION, INC. ("BRAE") hereby permits SEABOARD SYSTEM RAILROADS, INC. to use the following railcars pursuant to that certain Agreement dated as of June 28, 1984:

<u>Number of Cars</u>	<u>Description</u>	<u>AAR Designation</u>	<u>Car Number(s)</u>
Up to 200	50'6" double door, 70 ton Class A, box cars, Plate C, <sup>KCD</sup> with inside width of no less than 9'6"	XM	SBD _____ - _____ (Numbers to follow)
Up to 402	50'6" or 52'6" single door, 70 ton, Class A, box cars, Plate C, with inside width of no less than 9'6"	XM	SBD _____ - _____ (Numbers to follow)

BRAE and SEABOARD SYSTEM RAILROADS, INC. hereby incorporate by reference all of the terms, conditions and provisions of the Agreement in this Schedule.

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

BRAE TRANSPORTATION, INC.

By *Lawrence W. Briscoe*

Printed Name LAWRENCE W BRISCOE

Title EXECUTIVE VICE PRESIDENT

SEABOARD SYSTEM RAILROADS, INC.

By *K.C. Dufford*

Printed Name K.C. Dufford

Title Vice President - Transportation

STATE OF Florida )  
COUNTY OF Duval ) SS

On this 25th day of July, 19 84, before me personally appeared R. G. Defferd, to me personally known, who being by me duly sworn says that such person is Vice President - Transportation of Seaboard System Railroad, and that the foregoing Lease Agreement, and Equipment Schedule(s) No. 1 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.

Ellen Roberts (seal)  
Notary Public

Notary Public, State of Florida  
My Commission Expires Aug. 22, 1987  
Bonded thru Troy Fair Insurance, Inc.

STATE OF )  
CITY AND COUNTY OF SAN FRANCISCO ) SS

On this 17th day of July, 19 84, before me personally appeared Lawrence W. Oriscoe, to me personally known, who being by me duly sworn says that such person is Executive Vice President of GRAE Transportator, Inc., and that the foregoing Lease Agreement, and Equipment Schedule(s) No. 1 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.

Leslie A. Brygman (seal)  
Notary Public

OFFICIAL SEAL  
LESLIE A. BRYGMAN  
NOTARY PUBLIC - CALIFORNIA  
CITY & COUNTY OF SAN FRANCISCO  
My Commission Expires Feb. 5, 1988