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RECORDATION NO. _____ FILED 1988

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INTERSTATE COMMERCE COMMISSION

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

November 17, 1988

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RECORDATION NO. _____ FILED 1988

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INTERSTATE COMMERCE COMMISSION

No. 8-322A030
Date ..NOV.17.1988

Fee \$ 39.00

Dear Ms. McGee:

ICC Washington, D. C.

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

1. Lease Agreement dated as of September 20, 1984 between Brae Transportation, Inc., lessor, and Kyle Railroad Company, lessee.
2. Amendment No. 1 dated as of October 10, 1987 between Brae Transportation, Inc., lessor, and Kyle Railroad Company, lessee.
3. Equipment Schedule No. 5 dated as of October 11, 1988 between Brae Transportation, Inc., lessor, and Kyle Railroad Company, lessee.

The equipment subject to these documents consists of 260 covered hopper cars bearing the marks of KYLE as stated in the Equipment Schedule No. 5.

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: Kyle Railroad Company
3rd & Railroad Avenue
Phillipsburg, Kansas 67661

Please file and record the documents and index them under the names set forth above. Since the documents relate to

Robert J. Corber

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Ms. Noreta McGee
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the same transaction, it is requested that all be assigned the same recordation number with consecutive letter designation for each document after the first listed above.

A fee of \$39.00 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:

1. Lease Agreement dated as of September 20, 1984 between Brae Transportation, Inc., lessor, and Kyle Railroad Company, lessee, covering covered hopper cars marked as shown in equipment schedule.
2. Amendment No. 1 dated as of October 10, 1987 between Brae Transportation, Inc., lessor, and Kyle Railroad Company, lessee, covering covered hopper cars marked as shown in equipment schedule.
3. Equipment Schedule No. 5, dated as of October 11, 1988 between Brae Transportation, Inc., lessor, and Kyle Railroad Company, lessee, covering railcars marked as shown in document.

Very truly yours,



Robert J. Corber
Attorney for Brae
Transportation, Inc.

Enclosures as stated

RECORDATION NO. 6033 *AX*

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INTERSTATE COMMERCE COMMISSION

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO) SS.

I, Suzanne Guido, a Notary Public in and for the State of California, duly commissioned and sworn, do certify that on this 21 day October, in the year 1988, I carefully compared the annexed copy of the lease agreement with the original thereof, and that the same is a full, true and correct copy of said original lease agreement.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of San Francisco, the day and year in this certificate first above written.



Suzanne Guido
Notary Public

[seal]

My commission expires: 8.14.89

AMENDMENT NO. 1

REGISTRATION NO. 6032
NOV 17 1988 - 9
INTERSTATE COMMERCE COMMISSION

Amendment No.1 dated as of ~~October 10~~ ^{September 1}, 1987, between BRAE TRANSPORTATION, INC., 160 Spear Street, Suite 1600, San Francisco, California 94105 ("BRAE") and KYLE RAILROAD COMPANY, Third and Railroad Avenue, Phillipsburg, KS 67661 ("LESSEE").

RECITALS:

Pursuant to the Agreement dated as of September 20, 1984, BRAE is currently leasing 267 covered hopper cars (the "Cars") to LESSEE (the Agreement").

BRAE and LESSEE now desire to amend certain sections of the Agreement.

In consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

AGREEMENTS:

1. **Defined Terms.** The terms used in this Amendment No. 1 which are defined in the Agreement shall have the same meanings herein as specified therein, except when specifically redefined.

2. **Equipment Schedule.** The Agreement shall cover those railcars listed and identified in Equipment Schedule No. 4 attached hereto.

3. **Amendment to Section 2 of the Agreement.** The second sentence contained in Section 2 shall be deleted in its entirety and the following new sentence shall be substituted therefore:

"The lease pursuant to this Agreement shall commence upon the date on which the first of the Cars is delivered to LESSEE, as provided in Section 3A hereof, and shall continue until September 20, 1991."

4. **Amendment to Section 6A(i) of the Agreement.** The first two sentences contained in Section 6A(i) shall be deleted in their entirety and the following new sentences shall be substituted therefore:

"LESSEE agrees to pay the following rent to BRAE for the use of the Cars:

BRAE shall receive all payments made to LESSEE by other railroad companies for their use and handling of the Cars, including but not limited to mileage charges and hourly car hire payments ("Payments"). If, in any calendar quarter, Utilization (as hereinafter defined) is 30% or less, BRAE shall be entitled to retain 100% of all Payments earned by the Cars. If, in any such calendar quarter, Utilization is greater than 30%, BRAE shall be entitled to retain an amount equal to the Base Rental, plus an amount equal to 75% of the Payments earned in excess of the Base Rental. For purposes of this Agreement, "Base Rental" shall mean, with respect to any period, an amount equal to the total Payments earned during such period multiplied by a fraction, the numerator of which shall be 30%, and the denominator of which is the actual Utilization during such period.

LESSEE shall be entitled to 25% of the Payments earned in excess of the Base Rental. For the purpose of determining Utilization, "Car Hour" shall mean one hour during which one Car is on lease hereunder, commencing on the Initial Loading of such Car. For the purpose of this Agreement, "Utilization" shall mean with respect to any period a fraction the numerator of which is (x) the total Payments earned during such period, and the denominator of which is (y) the aggregate number of Car Hours during such period multiplied by the then applicable hourly car hire rate, plus the aggregate number of Car Days (Car Hours divided by 24) during such period multiplied by the then applicable mileage rate, multiplied by the actual average miles travelled per day per Car during such period. The applicable hourly car hire and mileage rates shall be determined pursuant to the Hourly and Mileage Car Hire Rate Table. All sums due LESSEE hereunder from BRAE shall be paid within 90 days after the end of the calendar quarter in which such sums are earned.

Nothing contained in this Agreement shall prevent the parties from entering into seasonal loading agreements by LESSEE, BRAE and LESSEE's connecting carriers for purposes of keeping the Cars utilized. The terms and conditions of such agreements relating to the distribution of revenues resulting from the loading agreement shall supersede this Agreement only with respect to this Section 6A(i)."

5. Amendment to Section 6D of the Agreement. The paragraph contained in Section 6D shall be deleted in its entirety and the following new paragraph shall be substituted therefore:

"If at any time the Utilization for the Cars during the preceeding four calendar quarters averaged less than 55%, BRAE may at its option and upon not less than ten (10) days prior written notice to LESSEE, terminate this Agreement as to such Cars as BRAE shall determine, provided, however, that BRAE shall be precluded from withdrawing any Cars from this Agreement pursuant to this Section 6D if, during such ten day notice period, LESSEE elects to pay to BRAE the difference between the amount of Payments BRAE received in such preceeding four calendar quarters and the amount of Payments BRAE would have received had Utilization equaled 55%."

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 as of the 13th day of September, 1987.

BRAE TRANSPORTATION, INC.

By [Signature]

Printed Name LEANN LLOYD

Title COMPASS SECRETARY I

Date _____

KYLE RAILROAD COMPANY

By [Signature]

Printed Name _____

Title _____

Date _____

EQUIPMENT SCHEDULE NO. 4

BRAE Transportation, Inc. ("BRAE"), hereby leases the following railcars to Kyle Railroad Company ("LESSEE") pursuant to that certain Agreement dated as of September 20, 1984, as amended (the "Agreement").

<u>of Cars</u>	<u>Number Description</u>	<u>A.A.R. Designation</u>	<u>Car Number(s)</u>
267	Covered Hoppers	LO	KYLE 4000-4104* KYLE 260128-260320* KYLE 7001 ² 7002, 7004, 7008 ⁴ 7011 7018 ² 7020, 7023, 7025 ² 7026, 7028, 7031 ² 7033 7036 ² 7038, 7043, 7045, 7047 ⁴ 7050, 7052 ² 7053, 7057 ⁴ 7060, 7063 ⁴ 7066, 7069 ² 7070, 7072, 7075 ² 7079, 7081 ² 7082, 7084, 7086, 7089 ² 7091, 7093, 7096, 7098 ² 7105, 7107 ⁴ 7110, 7112 ² 7113, 7014 ² 7016, 7115 ² 7116, 7119, 7121 ² 7122, 7125, 7128, 7130, 7132, 7134 ² 7135, 7137 ⁴ 7140, 7143 ² 7144, 7150 ² 7152, 7166 ⁴ 7169, 7172 ² 7173, 7154 ⁴ 7163, 7175 ² 7176, 7178, 7181 ² 7182, 7184 ² 7185, 7189, 7191 ⁴ 7194, 7196, 7198 ² 7199

* Excluding KYLE 4070 and KYLE 260143

BRAE and LESSEE hereby agree that this Equipment Schedule No. 4 shall supersede Equipment Schedules No. 1, No. 2 and No. 3 and such Equipment Schedules shall become null and void as of the date hereof.

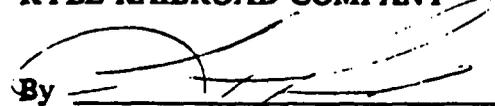
BRAE and LESSEE hereby incorporate by reference all of the terms, conditions and provisions of the Agreement in this Schedule.

IN WITNESS WHEREOF, the parties have executed this Schedule as of the 1st day of September 1987.

BRAE TRANSPORTATION, INC.

KYLE RAILROAD COMPANY

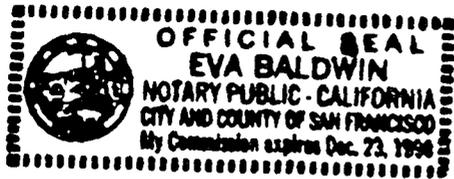
By 
 Title CORPORATE SECRETARY
 Date _____

By 
 Title _____
 Date _____

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN FRANCISCO)

On this 18th day of December, 1987, before me personally appeared Lynn T. Cecil, to me personally known, who being by me duly sworn says that such person is Executive Vice-President of KYLE RAILROAD COMPANY, and that the foregoing Amendment No. 1 was 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.

[seal]



Eva Baldwin
Notary Public

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 1st day of September, 1987, before me personally appeared Leann Unger, to me personally known, who being by me duly sworn says that such person is Corp Secretary of BRAE TRANSPORTATION, INC., and that the foregoing Amendment No. 1 was 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.

[seal]



Suzanne Guido
Notary Public