

TRACKAGE AGREEMENT

4162470-B4-RP-00271  
A0-7 / A0-89

THIS AGREEMENT made this 5th day of September 1984, by and between the CAMP LEJEUNE RAILROAD COMPANY, a corporation organized and existing under the laws of the State of North Carolina, hereinafter referred to as the RAILROAD, and the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter referred to as the GOVERNMENT;

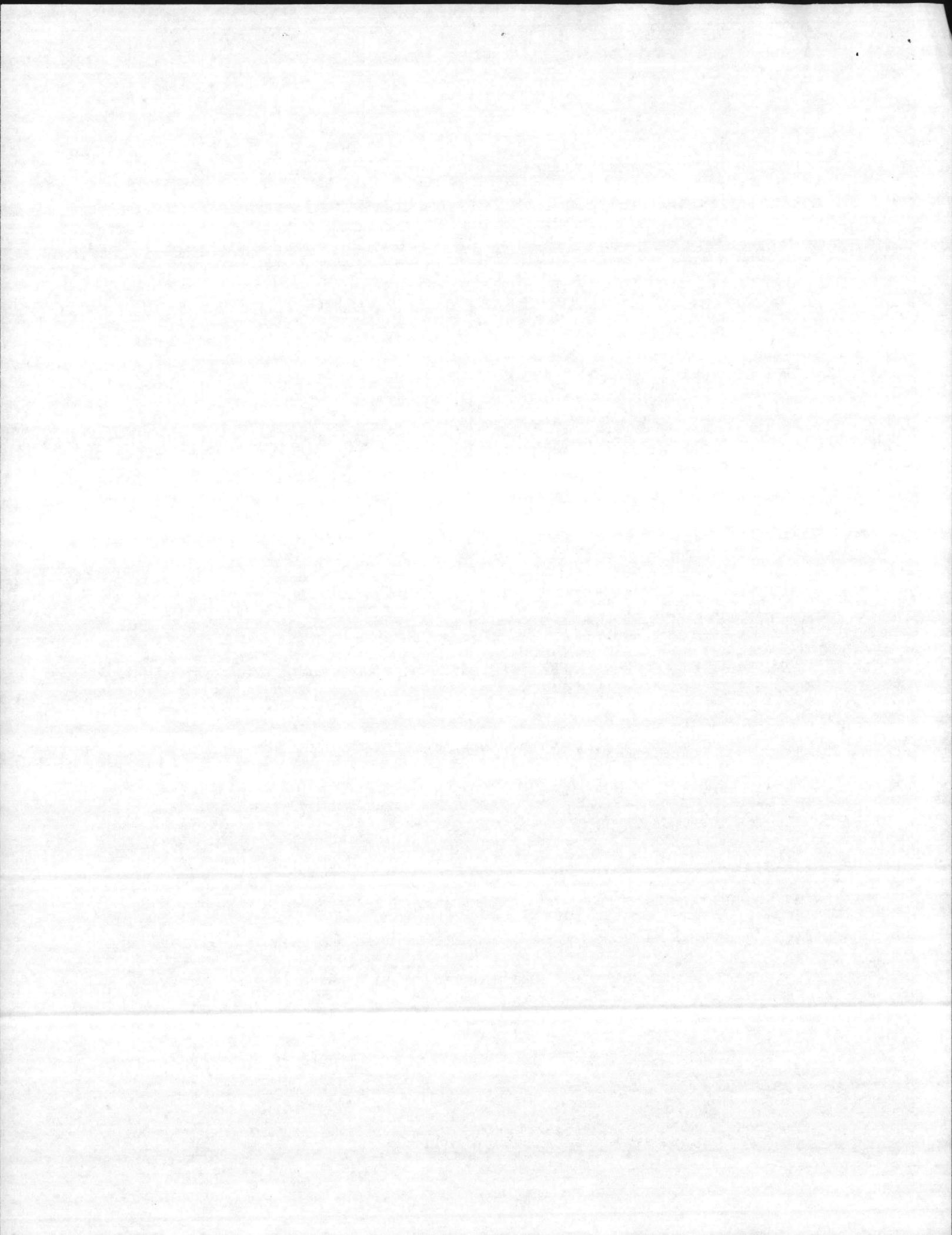
W I T N E S S E T H:

WHEREAS, the GOVERNMENT owns that certain real property comprising the Marine Corps Base, Camp Lejeune, North Carolina, hereinafter referred to as the BASE; and

WHEREAS, the GOVERNMENT has caused to be constructed and is the owner of all that railroad trackage and related rail facilities located within the boundary of said BASE; and

WHEREAS, the GOVERNMENT has caused to be constructed and is the owner of that certain railroad trackage and related rail facilities extending from said BASE to a point of connection with railroad trackage located in Havelock, North Carolina, and comprising the Morehead City-New Bern Line leased by the Atlantic and East Carolina Railway Company, said GOVERNMENT-owned trackage and rail facilities being located as shown in green on Southern Railway System drawing No. TD-83-0069-R1, dated 6 April 1983, last revised 13 August 1984, entitled "Map Showing Trackage Between Camp Lejeune and Havelock Operated by Camp Lejeune Railroad Company, attached hereto and made a part hereof as Exhibit "A"; and

WHEREAS, by Lease and Use Agreement NOM-71659, dated September 2, 1960, as amended by First Modification Agreement to Lease and Use Agreement NOM-71659, dated August 31, 1963, the GOVERNMENT leases to the RAILROAD those



portions of GOVERNMENT-owned railroad trackage and related rail facilities as more particularly described therein; and

WHEREAS, said Leases and Use Agreement NOM-71659, as amended, will expire by limitation effective 31 August 1984; and

WHEREAS, the GOVERNMENT has a continuing requirement for the provision of rail freight traffic to the BASE and the parties hereto desire to reach agreement regarding the movement of rail freight traffic over said railroad trackage.

NOW, THEREFORE, in consideration of the premises herein contained and the mutual benefits resulting to the parties hereto, it is agreed as follows:

1. DEFINITIONS:

(a) The term "CONTRACTING OFFICER" means the person executing this AGREEMENT on behalf of the GOVERNMENT, and any other officer or civilian employee who is a properly designated CONTRACTING OFFICER; and the term includes, except as otherwise provided in this AGREEMENT, the duly authorized representative of a CONTRACTING OFFICER acting within the limits of his authority; provided, however, that for the purposes of Article 17 hereinafter entitled "DISPUTES", the term "CONTRACTING OFFICER" shall mean the Commander, Naval Facilities Engineering Command, the Acting Commander, their successors or their representatives specially designated for this purpose.

(b) The term "LOCAL REPRESENTATIVE" means the Commanding General of the BASE or any person duly authorized to act as his deputy.

(c) The term "GOVERNMENT TRACK" means that railroad trackage and related rail facilities including all signs and markers required for safe and efficient operation, owned by the UNITED STATES OF AMERICA as may be located within the boundaries of said BASE and extending up to the long ties of both switches at Havelock, North Carolina, said GOVERNMENT TRACK being as shown in green on aforesaid Exhibit "A" hereto.



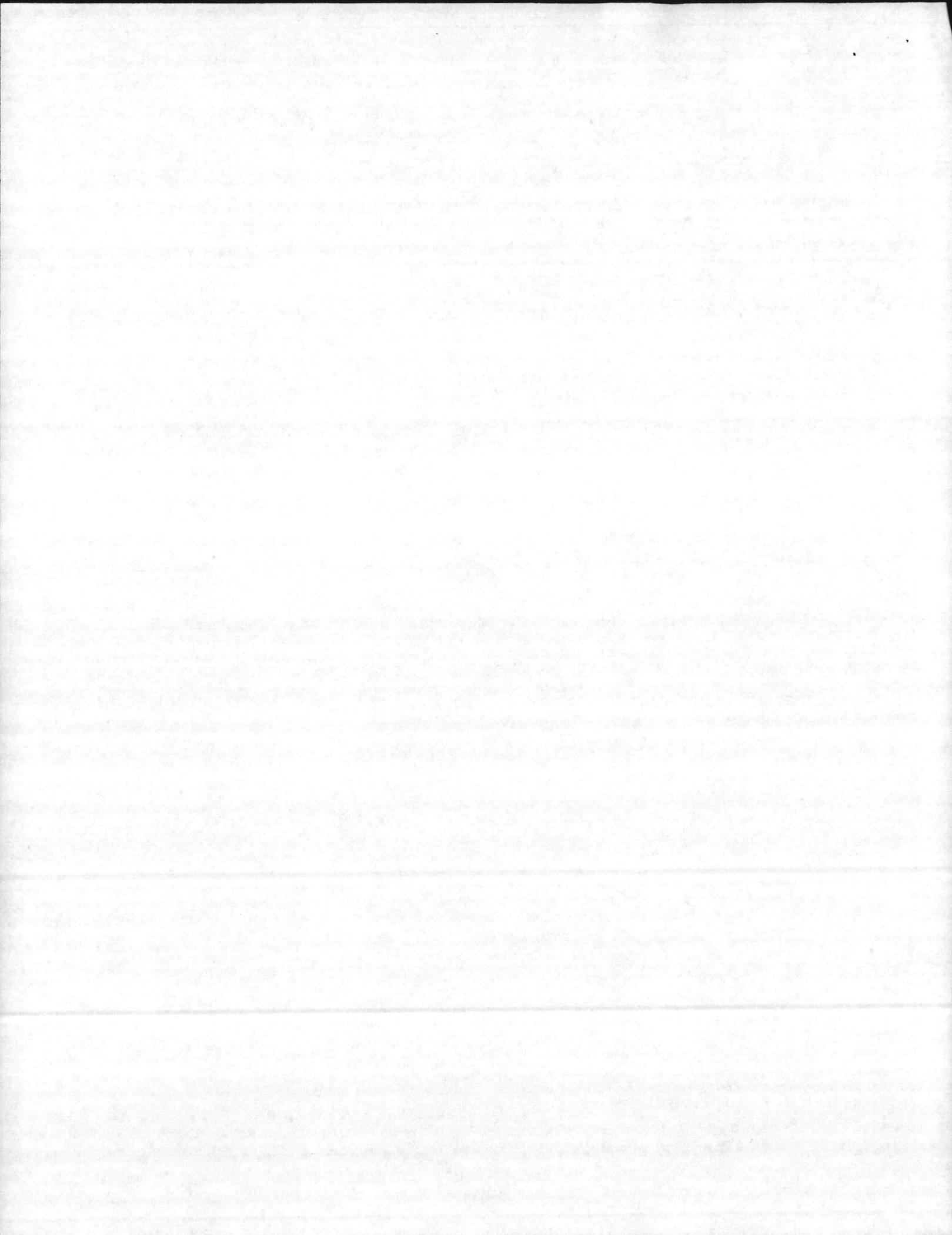
(d) The term "RAILROAD TRACK" means that railroad trackage and related rail facilities extending from aforesaid GOVERNMENT TRACK and connecting with railroad trackage of the above-described Morehead City-New Bern Line and being as shown on aforesaid Exhibit "A" hereto.

2. OWNERSHIP AND MAINTENANCE:

(a) Except for those items identified in the "RAILROAD MAINTENANCE OBLIGATION" attached hereto and made a part hereof as Exhibit "B" for which the RAILROAD is solely responsible, the GOVERNMENT shall maintain at its cost and expense aforesaid GOVERNMENT TRACK, including all signs and markers required for safe and efficient operation. Standards of maintenance for that portion of GOVERNMENT TRACK situated between Milepost 3 and the point of connection with aforesaid Morehead City-New Bern Line of the Atlantic and East Carolina Railway shall be at least the Federal Railroad Administration Class 3 standards in effect at the commencement of this AGREEMENT. Standards of maintenance for that portion of GOVERNMENT TRACK situated between Milepost 3 and the supply and industrial area of the BASE shall be at least those Federal Railroad Administration Class 2 standards in effect at the commencement of this AGREEMENT.

(b) The RAILROAD shall maintain, at its cost and expense, said RAILROAD TRACK.

(c) All existing track and track material, including turnouts, comprising said GOVERNMENT TRACK shall remain the property of the GOVERNMENT and may be removed and/or relocated by the GOVERNMENT. Such removal and/or relocation shall not be arbitrarily or capriciously exercised or conducted in such a manner as to interfere with the operations undertaken herein by the RAILROAD.

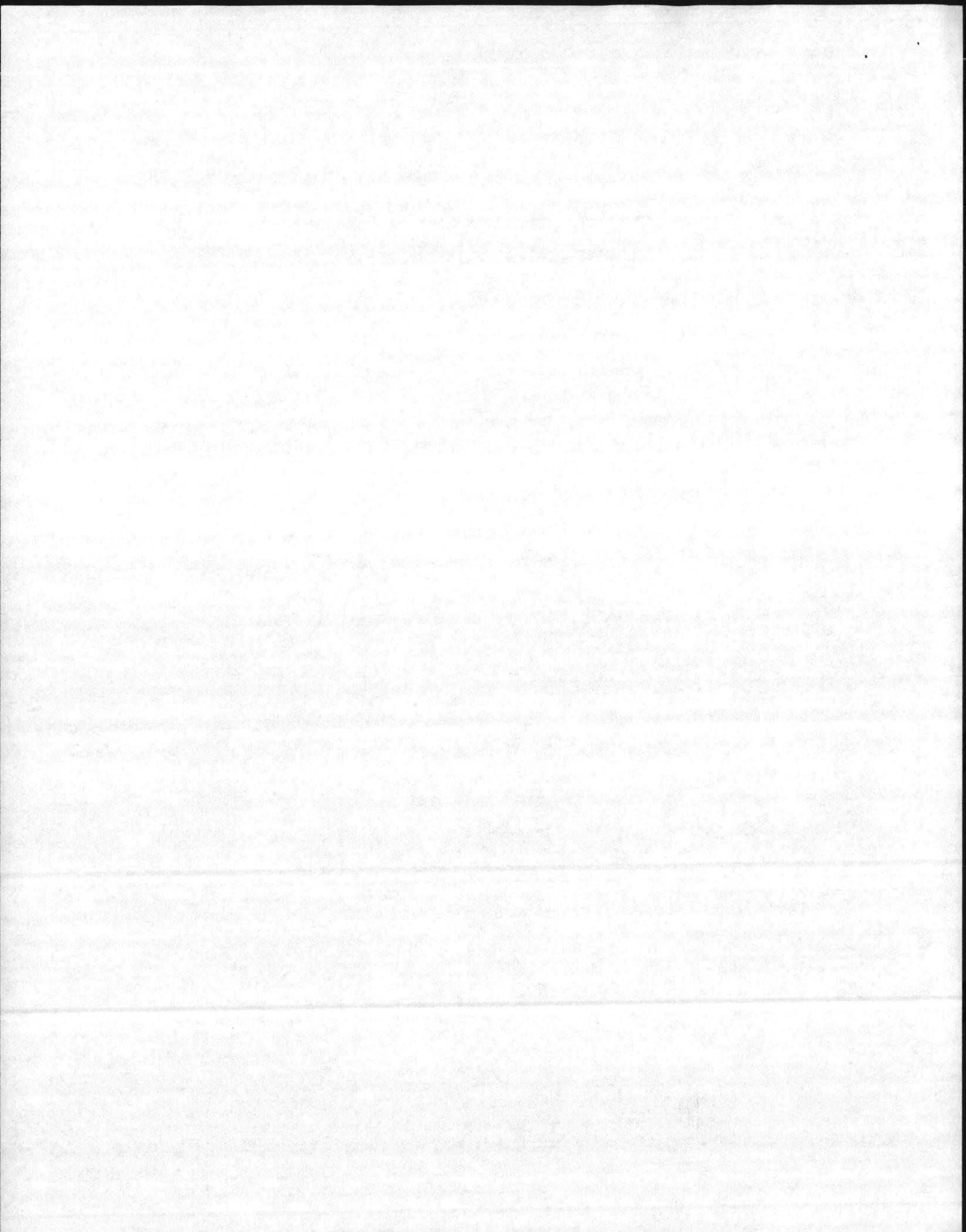


(d) All existing RAILROAD TRACK and track material, including turnouts, as now exist or as may hereafter be relocated, shall remain the property of the RAILROAD and may be removed or otherwise disposed of by the RAILROAD. Such removal and/or relocation shall not be arbitrarily or capriciously exercised or conducted in such a manner as to interfere with the operations undertaken herein by the RAILROAD.

3. CHANGES OR ENLARGEMENTS:

(a) If any change, rearrangement or extension of said RAILROAD TRACK, diverging from railroad trackage of aforesaid Morehead City-New Bern Line and having its terminus at the GOVERNMENT TRACK, shall at any time be deemed necessary, or required by both of the parties hereto for the purpose of rail freight service to the BASE, such track shall be constructed and located in a manner satisfactory to both parties hereto, and the cost of that part thereof extending beyond the aforesaid Morehead City-New Bern Line shall be borne by the GOVERNMENT, and the cost of that part thereof lying within said Morehead City-New Bern Line shall be borne by the RAILROAD, and the provisions of this AGREEMENT shall extend to and be applicable to such changed, rearranged, or extended track.

(b) The RAILROAD may, at its sole cost and expense, construct such turnouts, extensions and industrial spur tracks diverging from aforesaid GOVERNMENT TRACK as may be necessary to serve industries and customers other than the GOVERNMENT which may be established along said GOVERNMENT TRACK; provided, however, that any such turnouts, extensions and industrial spur tracks which may in the future be constructed on aforesaid GOVERNMENT-owned property shall be subject to non-interference with GOVERNMENT activities and operations and to the prior written approval of the LOCAL REPRESENTATIVE as to construction plans, switch connections and siting considerations. Such



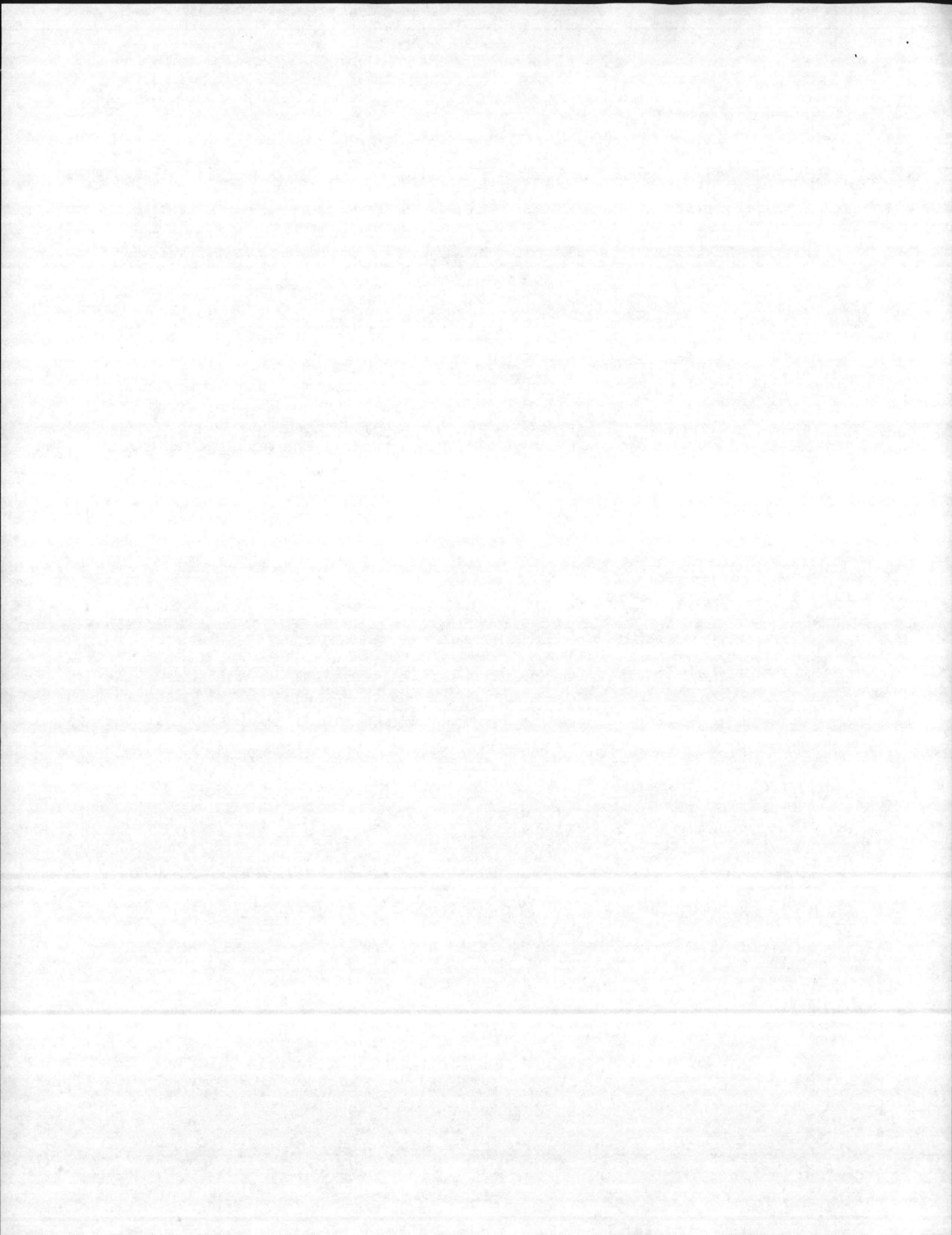
approval by the LOCAL REPRESENTATIVE shall not be unreasonably withheld.

(c) During the term of this AGREEMENT, all such turnouts, extensions and industrial spur tracks and other installations or improvements made or installed by the RAILROAD, shall be considered to be the property of the RAILROAD and shall be designated as a portion of the aforesaid RAILROAD TRACK. At the termination of this AGREEMENT, all such turnouts, extensions, industrial spur tracks and other installations or improvements made or installed by the RAILROAD and situated within the GOVERNMENT-owned right-of-way shall become property of the GOVERNMENT, provided, however, the RAILROAD shall have the right to remove such installations or improvements within ninety (90) days after termination of this AGREEMENT. In the case of such removal, the RAILROAD shall, at its own cost and expense, restore the GOVERNMENT TRACK to the reasonable satisfaction of the LOCAL REPRESENTATIVE.

4. OPERATION AND USE:

(a) The RAILROAD will deliver loaded cars, and empty cars for loading, to the GOVERNMENT, and perform initial placement at such points on said GOVERNMENT TRACK as the LOCAL REPRESENTATIVE or his duly authorized representative may designate. Additionally, the RAILROAD will accept freight consisting of loaded cars and empty cars from the GOVERNMENT at such points on said GOVERNMENT TRACK so designated for transportation over the lines of the RAILROAD or its connections. These services will be provided by the RAILROAD at times when regular scheduled freight crews and equipment may perform the services. For such services the RAILROAD will make no charge over and above the lawful rates applicable to such shipments to or from the BASE, or such lower charges as may be otherwise offered the GOVERNMENT.

(b) On GOVERNMENT request, the RAILROAD will furnish switching services other than initial placement and pickup provided for in this AGREEMENT. The GOVERNMENT will pay to the RAILROAD for such services the



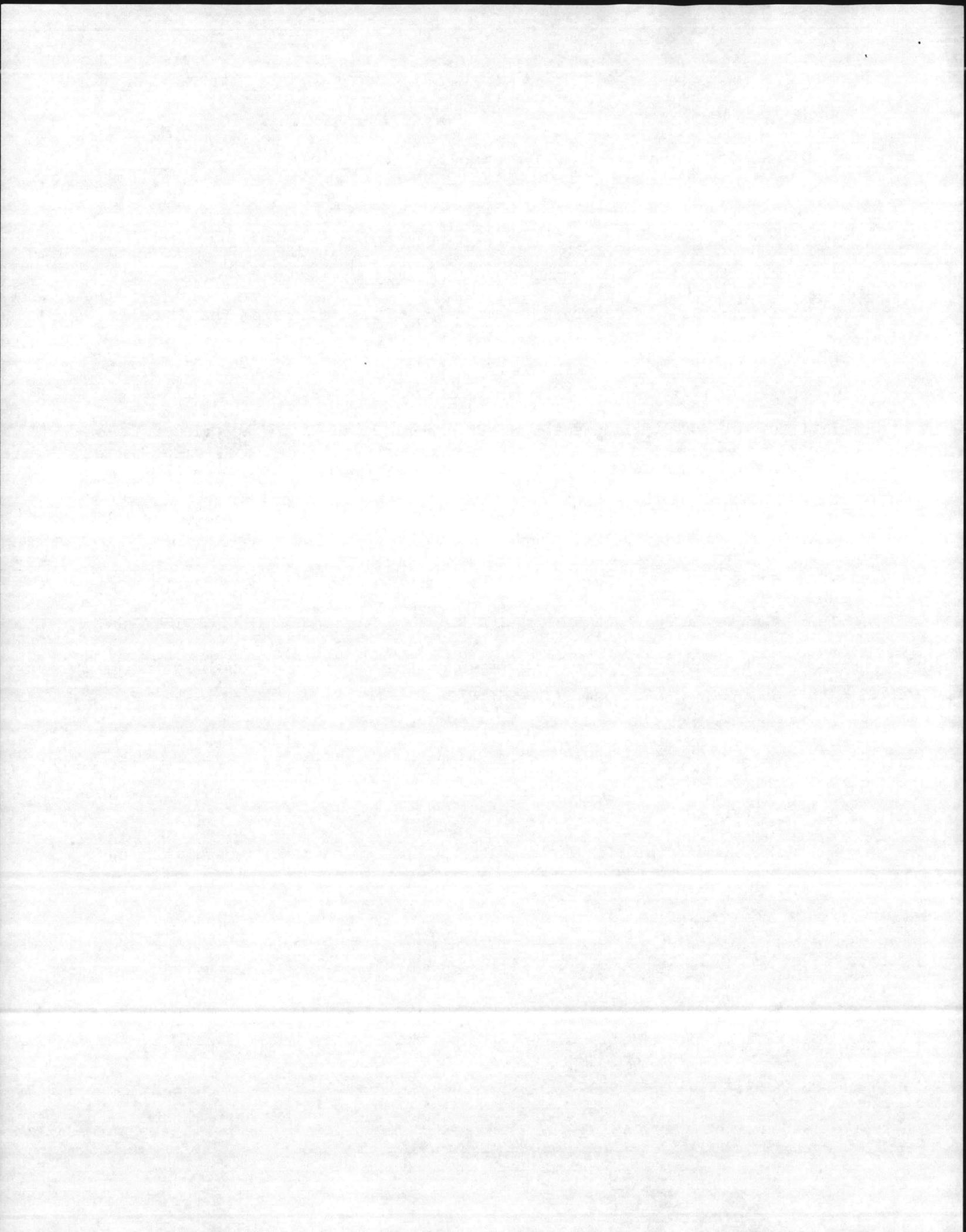
charges shown from time to time in the proper tariffs of the RAILROAD, duly filed and published according to law, or such lower charges as may be otherwise offered the GOVERNMENT by the RAILROAD.

(c) Operations by the RAILROAD over said GOVERNMENT TRACK shall be carried on as a common carrier. Freight operations, service, and schedules in connection therewith shall be adequate to meet the needs of the GOVERNMENT with respect to rail delivery to and receipt of rail cars from the GOVERNMENT. The RAILROAD shall also have the right to move commercial and non-GOVERNMENT traffic over said GOVERNMENT TRACK; provided, the RAILROAD's right to move such traffic shall be subject at all times to the prior right of the GOVERNMENT with respect to the movement of GOVERNMENT traffic and to non-interference with GOVERNMENT operations and activities. To the extent compatible with military requirements, the GOVERNMENT shall schedule its railroad maintenance activities and shall condition any rights and privileges to be granted thereby to third parties to enter upon the GOVERNMENT TRACK so as to cause the least possible interference with RAILROAD's freight service and schedules for non-GOVERNMENT traffic.

5. RECORDS:

(a) The RAILROAD shall keep adequate records and books of account showing all items of whatever nature which are material to this AGREEMENT, in connection with the performance thereof, and accounts shall be classified in accordance with the applicable Interstate Commerce Commission rules and regulations.

(b) The GOVERNMENT, at all reasonable times, shall be afforded access to and proper facilities for inspecting the records and books of the accounts pertaining to this AGREEMENT. All information obtained from said records and books of accounts shall be deemed confidential.



(c) The RAILROAD shall preserve all records and books of account required to be kept under this AGREEMENT, for a period of time prescribed by applicable rules and regulations of the Interstate Commerce Commission governing the destruction of records.

6. SAFETY:

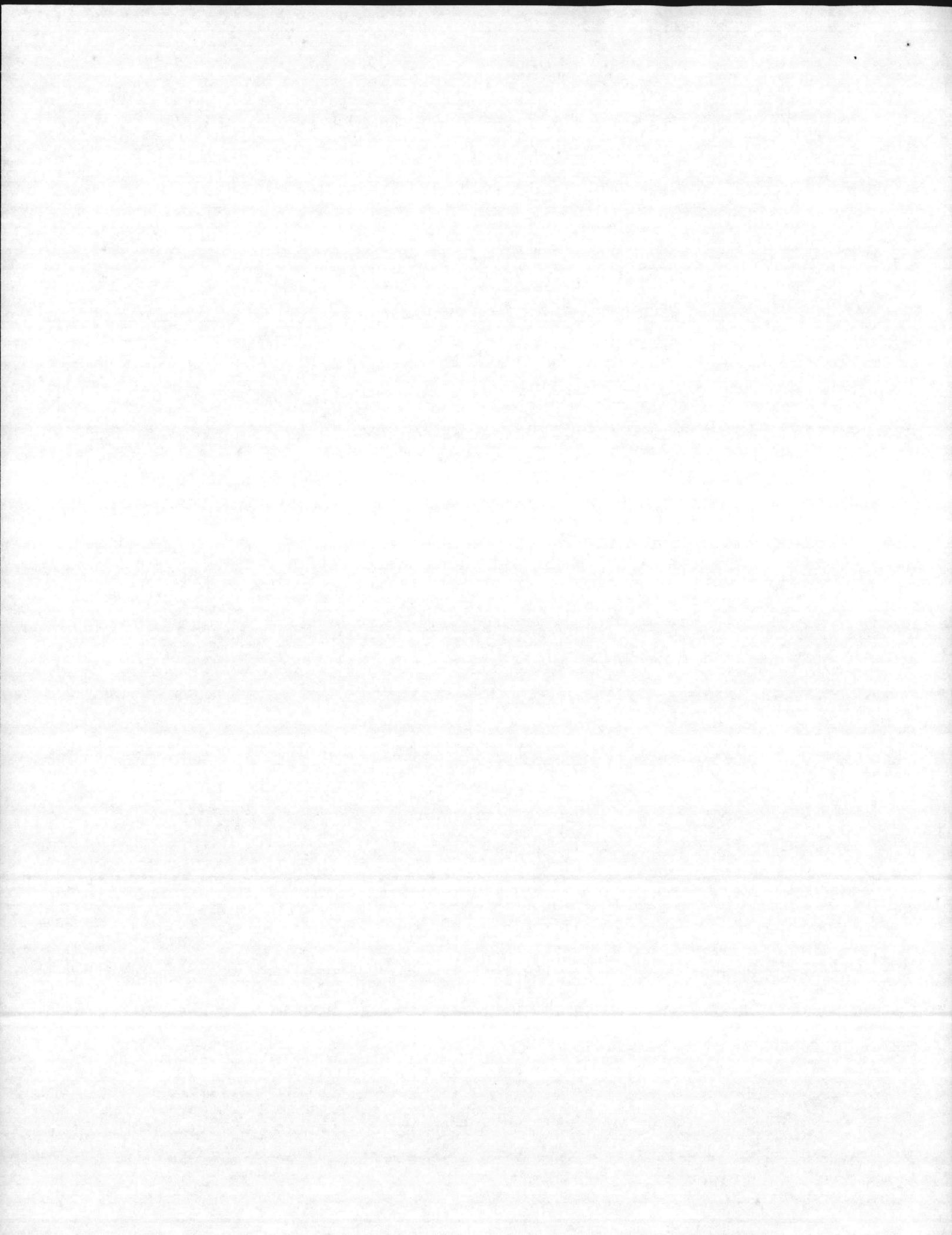
The RAILROAD agrees to notify all of its employees engaged in work to be performed within the BASE of the necessity to comply with all safety regulations in force on the BASE. The GOVERNMENT agrees to provide to the RAILROAD copies of those safety regulations pertaining to the RAILROAD's operation and which from time to time are in force on the BASE.

7. SECURITY:

In furtherance of military security, the RAILROAD agrees to strictly instruct its officers, employees and agents engaged in the performance of this AGREEMENT against dissemination by them to persons not officially entitled thereto of any information concerning the movement of military personnel, munitions or equipment.

8. LIABILITY:

All cars, loaded or empty, delivered to the GOVERNMENT on tracks as set forth in Article 4 hereinabove entitled "OPERATION AND USE" shall be deemed to have been fully and completely delivered as soon as any such car shall have been spotted on the track as provided in Article 4 hereinabove entitled "OPERATION AND USE" and detached from the engine or train by which it was moved and, except as hereinafter provided, in Article 9, the RAILROAD shall thereupon be fully and completely relieved of any liability either as common carrier, or as bailee or otherwise, for loss or damage for any such car or contents thereof occurring after such delivery and, except as hereinafter provided, the RAILROAD shall not be liable as a common carrier, nor as bailee, nor otherwise, for any such car or the property loaded into any car on said



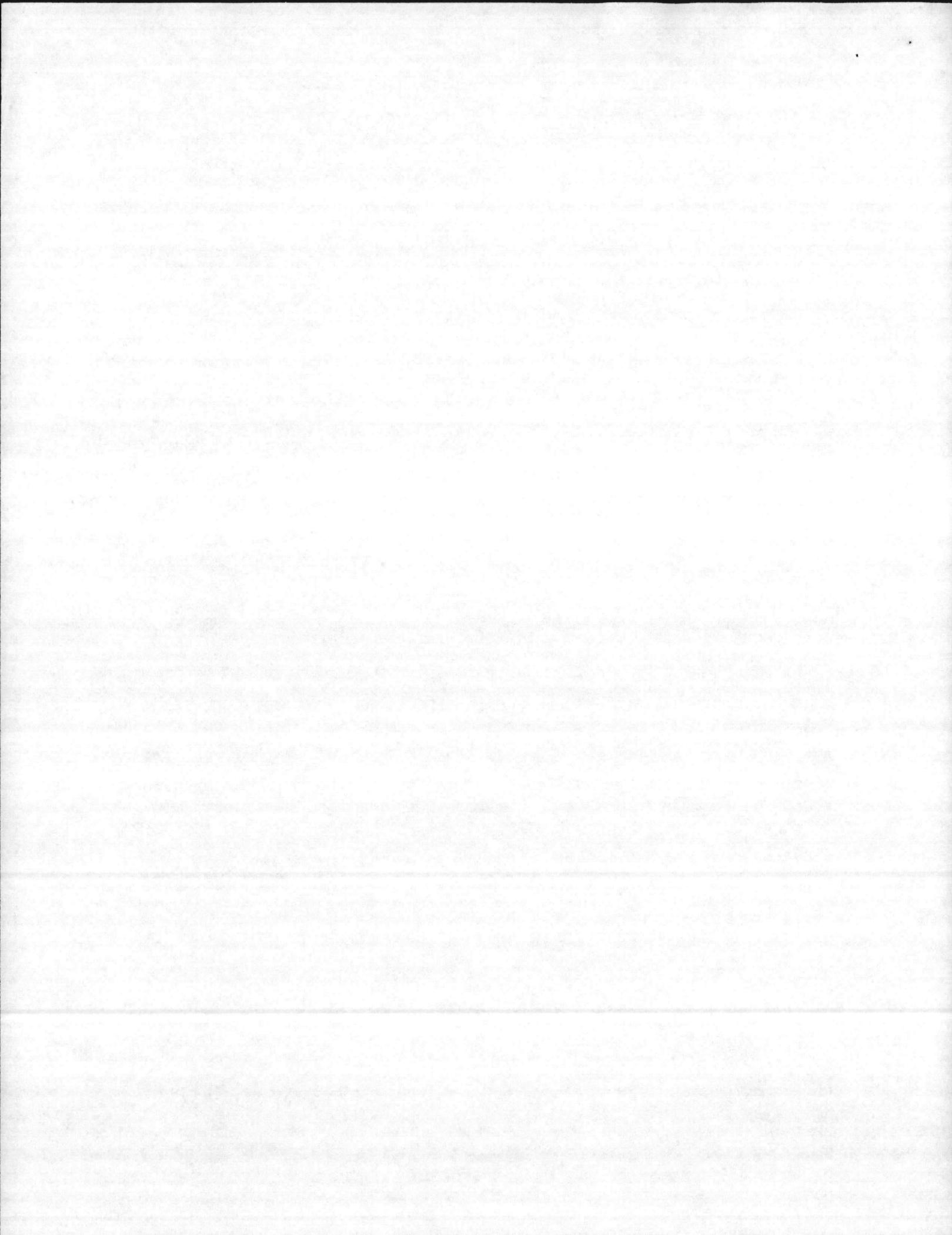
track until said car is attached or coupled to the engine or train by which it is to be moved from said track, or until a bill of lading shall be issued therefor and receipted by RAILROAD's representative; provided, however, that nothing contained in this section shall be deemed to relieve the RAILROAD of liability for any loss or damage resulting from the negligence of the RAILROAD, its officers, agents, or employees.

9. OPERATION LIABILITY AND INDEMNIFICATION:

The liabilities of the GOVERNMENT and the RAILROAD with respect to the death or injury to any person, or the loss or damage to the property of any person, including the property of the GOVERNMENT, whether or not covered by this AGREEMENT, shall be subject to applicable law; provided, however, the RAILROAD covenants that it shall indemnify and save and hold harmless the GOVERNMENT, its officers, agents, employees and assigns for and from any and all liability under the Federal Tort Claims Act, or otherwise, for death or injury to any person, or loss or damage to the property of any person resulting from the use of said GOVERNMENT TRACK, or other GOVERNMENT-owned property, in connection with the provision of commercial and non-GOVERNMENT rail service by the RAILROAD under the terms of Article 4(c) hereinabove; provided, further, however, that the RAILROAD shall not be liable for any death or injury to any person, or loss or damage to the property of any person resulting from the negligence, if any, of the GOVERNMENT, its officers, agents, employees or assigns. For the purpose of this Article 9, the RAILROAD shall not be considered to be an agent of the GOVERNMENT.

10. RIGHT OF ENTRY:

The GOVERNMENT hereby grants to the RAILROAD, its officers, agents, and employees, for the term of the AGREEMENT the right, subject to such rules and regulations as may be prescribed by the LOCAL REPRESENTATIVE or his duly



authorized representative, to enter upon the property of the GOVERNMENT for the purpose of operating said GOVERNMENT TRACK and inspecting the maintenance thereof.

11. CLEARANCES:

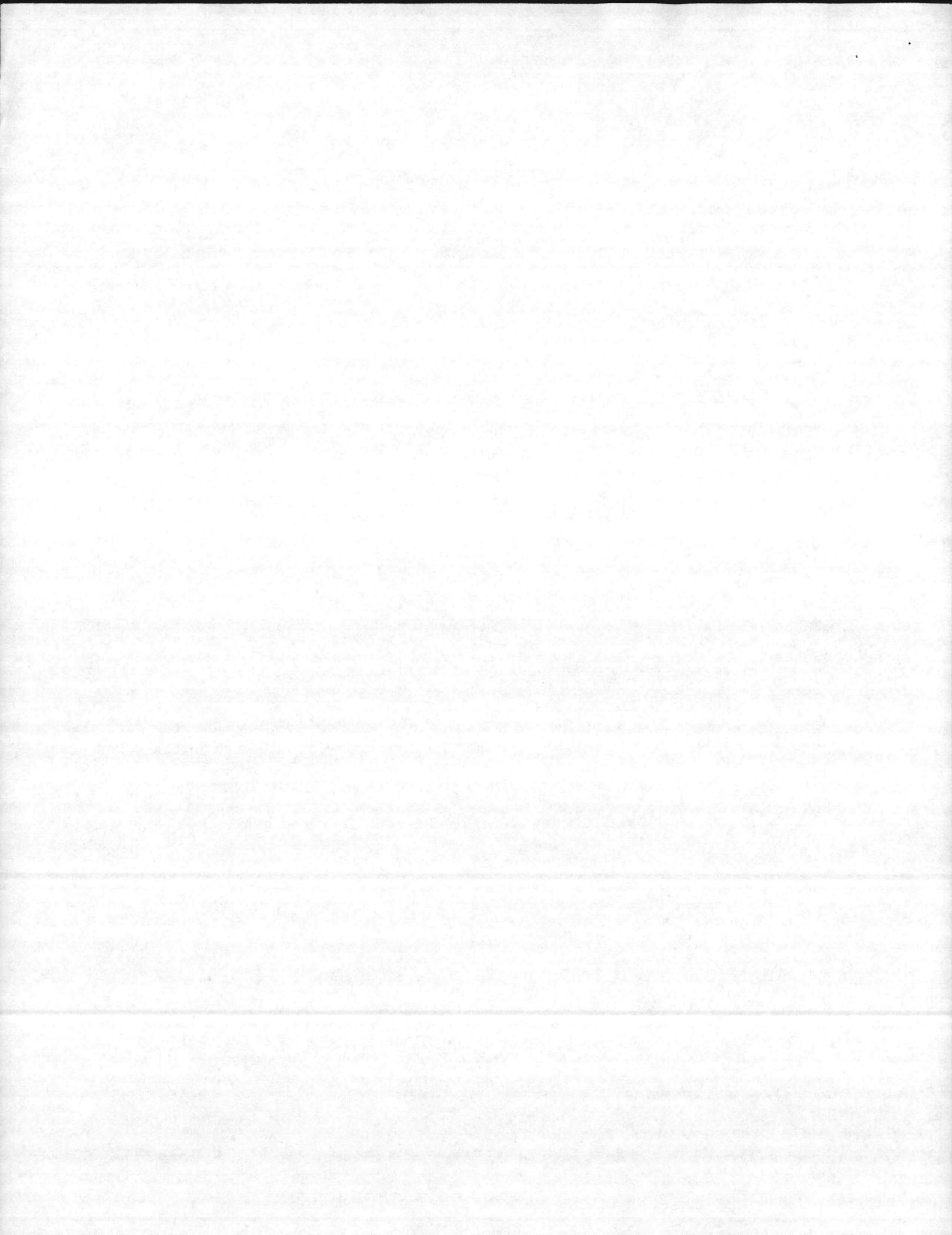
The GOVERNMENT agrees not to construct or permit construction of any obstruction having a clearance of less than 23 feet above the top of the rails of the GOVERNMENT TRACK, alongside the GOVERNMENT TRACK within 8 feet 6 inches of the center line of that portion of the track within the BASE, or alongside the GOVERNMENT TRACK within 13 feet of the center line of that portion of the track between the boundary of the BASE and the point of connection with railroad trackage located in Havelock, North Carolina. To the extent compatible with military requirements, all clearances not currently in existence will be increased in accordance with railroad specifications to compensate for curves. All structures erected over or under the GOVERNMENT TRACK shall be constructed and maintained in a manner as reasonably satisfactory to the Chief Engineer or other officer designated by the RAILROAD.

12. TERM OF AGREEMENT:

Subject to receipt of appropriate authority from the Interstate Commerce Commission, this AGREEMENT shall take effect as of 1 September 1984 and will continue until terminated in accordance with the provisions contained in the Article 13 hereinafter entitled "TERMINATION".

13. TERMINATION:

(a) This AGREEMENT may be terminated by the GOVERNMENT in accordance with this clause whenever for any reason the CONTRACTING OFFICER shall determine that such termination is in the best interest of the GOVERNMENT. Notice of intent to terminate this AGREEMENT under this provision shall be given in writing by the GOVERNMENT to the RAILROAD not less than ninety (90) days in advance of the effective date of termination.



(b) Subject to any necessary regulatory approval, this AGREEMENT may be terminated by the RAILROAD in accordance with this clause, when it is determined that such termination is in the best interest of the RAILROAD; provided, however, that such termination is not in conflict with military requirements. Notice of intent to terminate this AGREEMENT under this provision shall be given in writing by the RAILROAD to the GOVERNMENT not less than ninety (90) days in advance of the effective date of termination.

14. OFFICIALS NOT TO BENEFIT

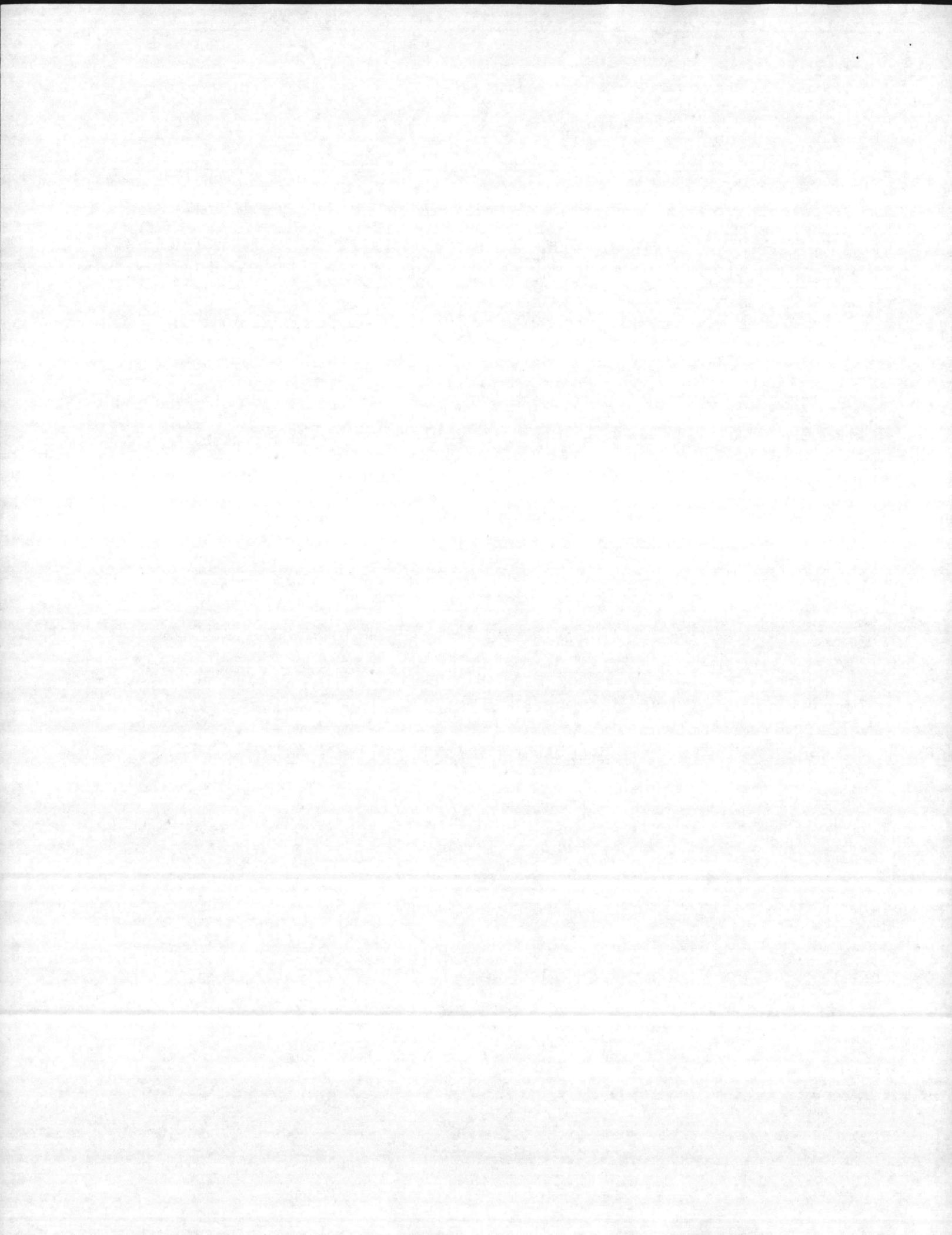
No member of or delegate to Congress, or resident commissioner shall be admitted to any share or part of this AGREEMENT, or to any benefit to arise therefrom, but this provision shall not be construed to extend to this AGREEMENT if made with a corporation for its general benefit.

15. COVENANT AGAINST CONTINGENT FEES:

RAILROAD hereby warrants that no person or agency has been employed or retained to solicit or secure this AGREEMENT upon agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by the RAILROAD for the purpose of securing business. For breach or violation of this warranty, the GOVERNMENT shall have the right to annul this AGREEMENT without liability or in its discretion to require the RAILROAD to pay the full amount of such commission, percentage, brokerage, or contingent fee.

16. GRATUITIES:

(a) The GOVERNMENT may, by written notice to the RAILROAD, terminate the right of the RAILROAD to proceed under this AGREEMENT if it is found after notice and hearing by the Secretary of the Navy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the RAILROAD, or any agent or



representative of the RAILROAD, to any officer or employee of the GOVERNMENT with a view toward securing this AGREEMENT or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performing of this AGREEMENT; provided, that the existence of the facts upon which the Secretary of the Navy or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event this AGREEMENT is terminated as provided in paragraph 16 (a) hereof, the GOVERNMENT shall be entitled (1) to pursue in the same remedies against the RAILROAD as it could pursue in the event of a breach of this AGREEMENT by the RAILROAD, and (2) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary of the Navy or his duly authorized representative) which shall be not less than three or more than ten times the costs incurred by the RAILROAD in providing any such gratuities to any such officer or employee.

(c) In the event this AGREEMENT is terminated as provided in paragraphs (a) or (b) hereinabove, the RAILROAD shall be paid all charges due it at the time of termination, for services performed under and during the life of this AGREEMENT.

17. DISPUTES:

(a) This AGREEMENT is subject to the Contract Disputes Act of 1978 (P.L. 95-563).

(b) Except as provided in the Act, all disputes arising under or relating to this AGREEMENT shall be resolved in accordance with this clause.

(c) (1) As used herein, "claim" means a written demand or assertion by one of the parties seeking, as a matter of right, the payment of money,



adjustment, or interpretation of AGREEMENT terms, or other relief, arising under or relating to this AGREEMENT. However, a written demand by the RAILROAD seeking the payment of money in excess of \$50,000 is not a claim until certified in accordance with (d) below.

(2) A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim for the purposes of the Act. However, where such submission is subsequently disputed either as to liability or amount or not acted upon in a reasonable time, it may be converted to a claim pursuant to the Act by complying with the submission and certification requirements of this clause.

(3) A claim by the RAILROAD shall be made in writing and submitted to the CONTRACTING OFFICER for decision. A claim by the GOVERNMENT against the RAILROAD shall be subject to a decision by the CONTRACTING OFFICER.

(d) For RAILROAD claims of more than \$50,000, the RAILROAD shall submit with the claim a certification that the claim is made in good faith; the supporting data are accurate and complete to the best of the RAILROAD's knowledge and belief; and the amount requested accurately reflects the contract adjustment for which the RAILROAD believes the GOVERNMENT is liable. The certification shall be executed by the RAILROAD if an individual. When the RAILROAD is not an individual, the certification shall be executed by a senior company official in charge at the RAILROAD's plant or location involved, or by an officer or general partner of the RAILROAD having overall responsibility for the conduct of the RAILROAD's affairs.

(e) For RAILROAD claims of \$50,000 or less, the CONTRACTING OFFICER must, if requested in writing by the RAILROAD, render a decision within 60 days of the request. For RAILROAD-certified claims in excess of \$50,000, the



CONTRACTING OFFICER must decide the claim within 60 days or notify the RAILROAD of the date when the decision will be made.

(f) The CONTRACTING OFFICER's decision shall be final unless the RAILROAD appeals or files a suit as provided in the Act.

(g) Interest on the amount found due on a RAILROAD claim shall be paid from the date the CONTRACTING OFFICER receives the claim (properly certified, if required, in accordance with (d) above), or from the date payment otherwise would be due, if such date is later, until the date of payment. Simple interest will be paid at the rate, established by the Secretary of the Treasury as provided in the Act which is applicable to the period during which the CONTRACTING OFFICER receives the claim and then at the rate applicable for each six-month period as fixed by the Secretary during the pendency of that claim.

(h) The RAILROAD shall proceed diligently with performance of this AGREEMENT, pending final resolution of any request for relief, claim, appeal, or action arising under the AGREEMENT, and comply with any decision of the CONTRACTING OFFICER.

18. PREVIOUS CONTRACTS:

Upon entry into effect, as provided in Article 12 hereinabove, this AGREEMENT shall supersede and cancel Lease and Use Agreement NOn-71659 dated September 2, 1960, as amended, between the GOVERNMENT and the RAILROAD for similar services.

19. ASSIGNMENTS:

The provisions of this AGREEMENT shall inure to the benefit and shall be binding upon, the successor and assigns of the RAILROAD and any other railroad company now operating or which may hereafter operate over or upon the



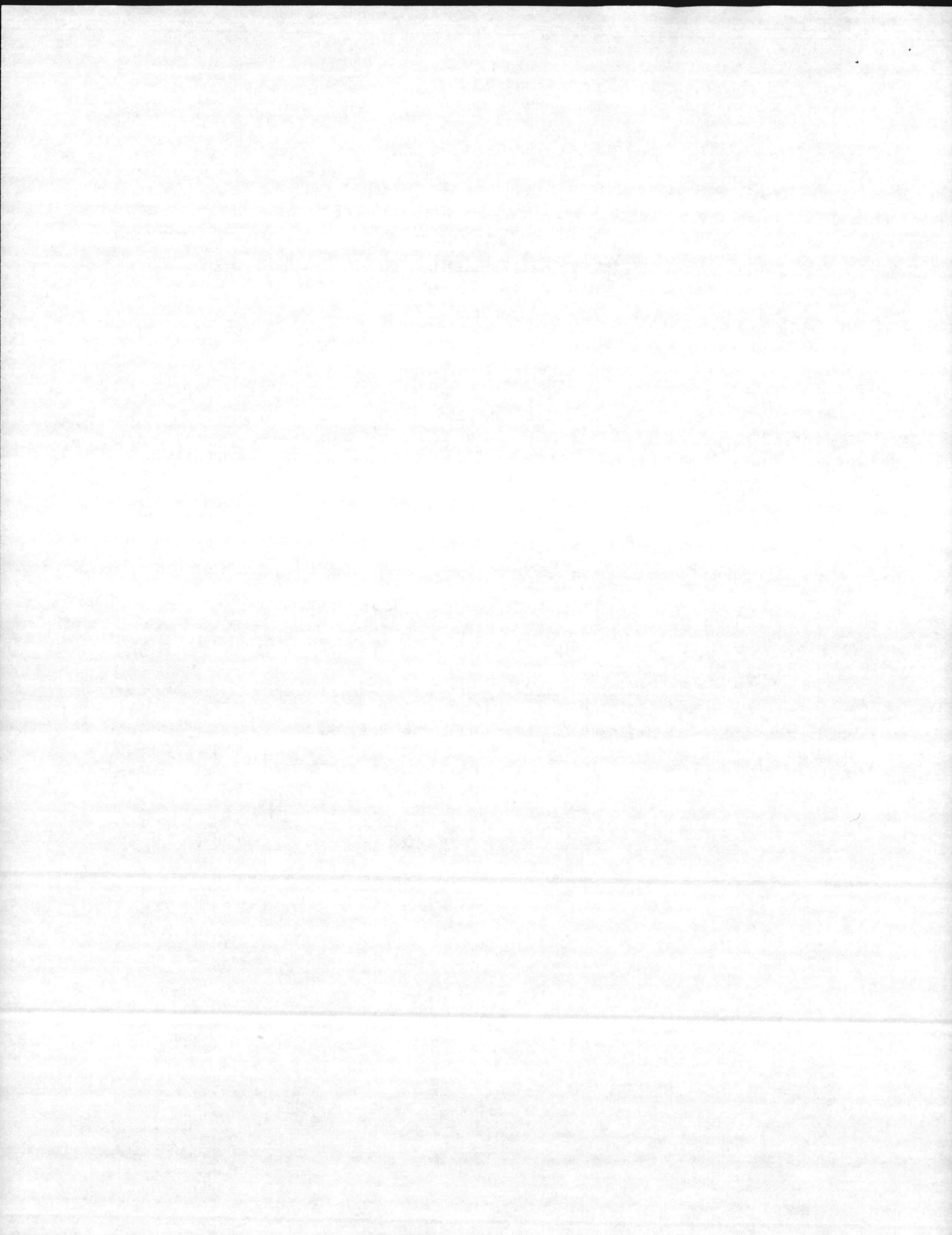
track covered by this AGREEMENT, and shall also be binding upon any third party who, as assignee of the GOVERNMENT or with the consent of the GOVERNMENT, may enter upon and use said GOVERNMENT TRACK; it being understood and agreed that the GOVERNMENT will promptly furnish to the RAILROAD notice, in writing, not later than seven (7) calendar days prior to any such use or entry by any such third party.

20. REPRESENTATIONS:

The RAILROAD has examined, knows and accepts the condition and state of repair of the GOVERNMENT TRACK and the BASE of which it forms a part, and acknowledges that the GOVERNMENT has made no representation concerning such condition and state of repair, nor any agreement or promise to alter, improve, adapt, repair or keep in repair the same, or any item thereof, which has not been fully set forth in this AGREEMENT which contains all the agreements made and entered into between the RAILROAD and the GOVERNMENT.

21. GUARANTEE:

Attached hereto and made a part hereof by reference is a GUARANTEE AGREEMENT executed on behalf of the SOUTHERN RAILWAY COMPANY, a corporation organized and existing under the laws of the State of Virginia, wherein said SOUTHERN RAILWAY COMPANY agrees and guarantees to the GOVERNMENT that said CAMP LEJEUNE RAILROAD COMPANY will perform and discharge all of its covenants and obligations hereinabove set forth.



IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT typewritten on this and the preceding fourteen pages, together with Exhibits "A" and "B" attached hereto, to be executed on their behalf by their duly authorized officers, in triplicate, each counterpart being an original, as of the day and year hereinabove written.

CAMP LEJEUNE RAILROAD COMPANY

ATTEST:

By *Malcolm E. Edwards*  
Title Assistant Secretary

By *[Signature]*  
Title Vice President

(SEAL)

UNITED STATES OF AMERICA

By *[Signature]*  
By direction of the Commander, Atlantic  
Division, Naval Facilities Engineering  
Command, Norfolk, Virginia 23511



CERTIFICATE OF SIGNATURE

I, Mahlon D. Edwards, certify that I am the  
Secretary of the CAMP LEJEUNE RAILROAD COMPANY named as  
the RAILROAD in the attached TRACKAGE AGREEMENT;

that P. R. Rudder who signed said TRACKAGE AGREEMENT on  
behalf of the RAILROAD, was then Vice President  
thereof; that said TRACKAGE AGREEMENT was duly signed for and on behalf of  
said CAMP LEJEUNE RAILROAD COMPANY by authority of its governing body and is  
within the scope of its powers.

Date 9/5/84

Mahlon D. Edwards  
Signature

(SEAL)



GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT, made this 5th day of September, 1984, by and between the SOUTHERN RAILWAY COMPANY, a corporation organized and existing under the laws of the Commonwealth of Virginia, hereinafter referred to as the RAILWAY, and the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter referred to as the GOVERNMENT;

W I T N E S S E T H:

WHEREAS, the GOVERNMENT owns that certain railroad trackage and related rail facilities identified as the Camp Lejeune-Cherry Point Railroad and extending from the Marine Corps Base, Camp Lejeune, North Carolina, to a point of connection with railroad trackage located in Havelock, North Carolina, and comprising the Morehead City-New Bern main line of the Atlantic and East Carolina Railway; and

WHEREAS, the GOVERNMENT and the CAMP LEJEUNE RAILROAD COMPANY, a corporation organized and existing under the laws of the State of North Carolina, have entered into a Trackage Agreement to cover the use of said Camp Lejeune-Cherry Point Railroad and related rail facilities for the provision of rail service to the Marine Corps Base, Camp Lejeune; and

WHEREAS, the RAILWAY is willing to guarantee performance by the CAMP LEJEUNE RAILROAD COMPANY of all the covenants and obligations contained in said Trackage Agreement.

NOW THEREFORE, in consideration of the terms and conditions of said Trackage Agreement, and other goods and valuable considerations, the RAILWAY hereby covenants with and guarantees to the GOVERNMENT that the CAMP LEJEUNE



RAILROAD COMPANY will perform and discharge all of its covenants and obligations as set forth in said Trackage Agreement, dated the 5th day of September, 1984, or as may hereafter be modified, amended or supplmented by written agreement. Said Trackage Agreement is annexed hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have caused this GUARANTEE AGREEMENT to be executed by their duly authorized officers, in triplicate, each counterpart being an original, as of the day and year hereinabove written.

ATTEST:

SOUTHERN RAILWAY COMPANY

By *M. W. Edwards*  
Title Assistant Secretary

By *[Signature]*  
Title Vice President

(SEAL)



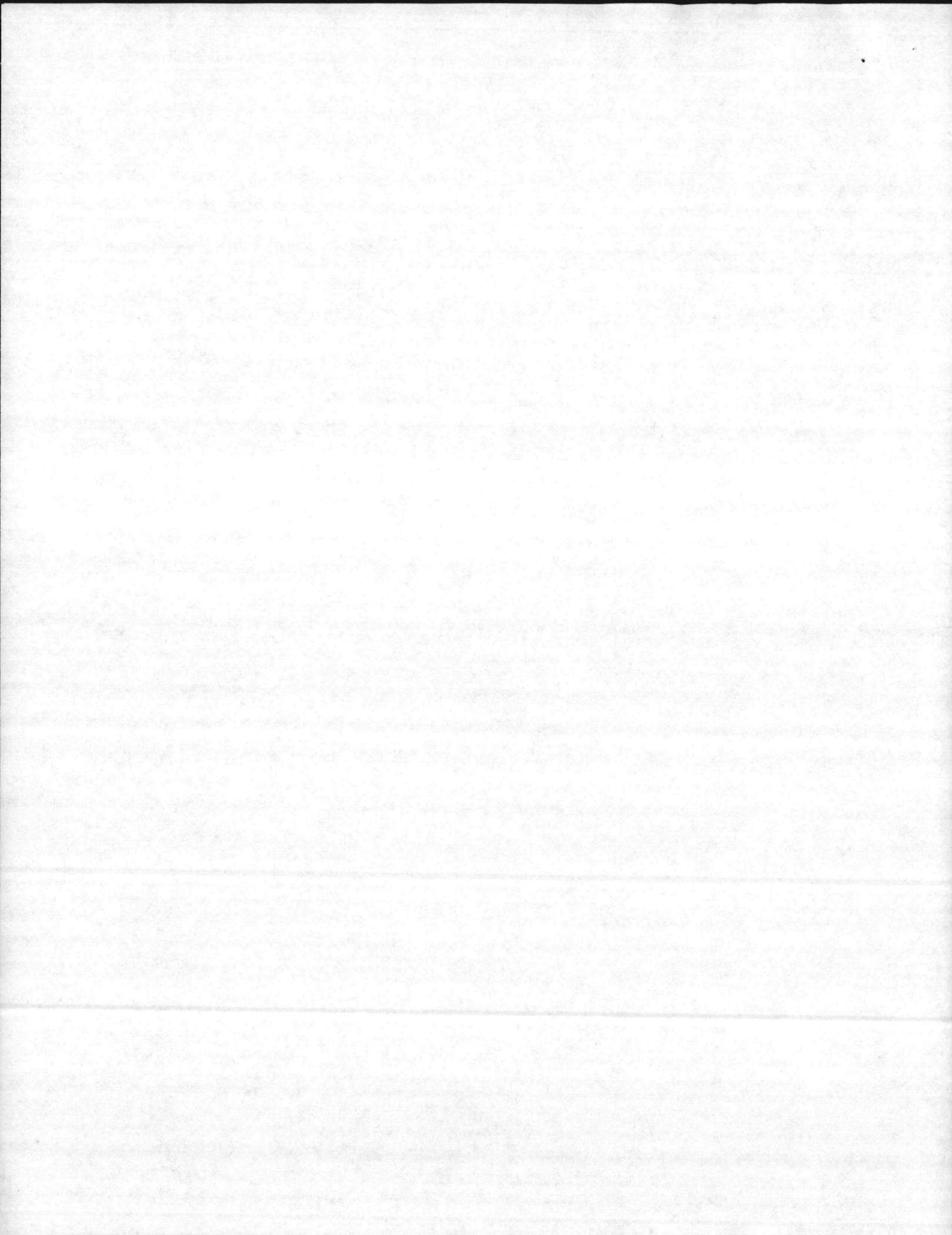
CERTIFICATE OF SIGNATURE

I, Melvin D. Edwards, certify that I am the  
Secretary of the SOUTHERN RAILWAY COMPANY named as  
RAILWAY in the attached GUARANTEE AGREEMENT; that P. R. Rudder  
who signed said GUARANTEE AGREEMENT on behalf of the RAILWAY, was  
then Vice President thereof; that said GUARANTEE  
AGREEMENT was duly signed for and on behalf of said SOUTHERN RAILWAY COMPANY  
by authority of its governing body and is within the scope of its powers.

September 5, 1984  
Date

Melvin D. Edwards  
Signature

(SEAL)



RAILROAD'S MAINTENANCE OBLIGATION

The RAILROAD'S MAINTENANCE OBLIGATION, as defined herein, comprises those items of maintenance which can be reasonably performed by the RAILROAD's Track Inspector and his assistant during a weekly inspection of the GOVERNMENT TRACK. The RAILROAD hereby agrees to perform, at its own cost and expense, such inspections of the GOVERNMENT TRACK on a scheduled weekly basis; to afford the LOCAL REPRESENTATIVE, or his representative specially designated for this purpose, an opportunity to be present during same; and to accomplish during said inspections such items of routine day-to-day maintenance as are listed below. In any event, the RAILROAD will inspect the GOVERNMENT TRACK and accomplish, at its own cost and expense, said items of routine day-to-day maintenance and shall provide a copy of the RAILROAD's FRA Track Inspection Report to the LOCAL REPRESENTATIVE advising of the existing conditions and remedial action taken. For the purpose of this AGREEMENT, routine items of maintenance which the RAILROAD is obligated to perform hereunder are defined as, but not limited to, the following:

- (a) Switch adjustments
- (b) Replacement of broken bolts
- (c) Tightening of bolts which have worked loose
- (d) Smoothing isolated locations as time permits
- (e) Minor aligning to keep tracks safe
- (f) Minor brush and vegetation control around grade crossings
- (g) Any similar items such as minor clearance of obstructions, minor day-to-day adjustment of signs and markers, and other items which can be accomplished by the RAILROAD's Track Inspector and his assistant with available tools and material normally carried during such inspections.

