

FIRST SUPPLEMENTAL AGREEMENT
TO
TRACKAGE AGREEMENT N62470-84-RP-00271

THIS FIRST SUPPLEMENTAL AGREEMENT, made this 15th day of January, 1985, between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter referred to as the GOVERNMENT, and the CAMP LEJEUNE RAILROAD COMPANY, a corporation existing under the laws of the State of North Carolina, hereinafter referred to as the RAILROAD;

W I T N E S S E T H:

WHEREAS, by virtue of Trackage Agreement N62470-84-RP-00271, dated 5 September 1984, the CAMP LEJEUNE RAILROAD COMPANY, a North Carolina corporation and an affiliate of the Southern Railroad Company, entered into an agreement with the GOVERNMENT to supply rail service to the Marine Corps Base, Camp Lejuene, North Carolina; and

WHEREAS, by Guarantee Agreement attached to the aforesaid Trackage Argeement as Exhibit "B", SOUTHERN RAILWAY COMPANY, agreed to guarantee the performance of its affiliate, CAMP LEJEUNE RAILROAD COMPANY; and

WHEREAS, Article 2 of said Trackage Agreement provided that the GOVERNMENT shall maintain and repair, at its own cost and expense, said GOVERNMENT TRACKAGE to the Federal Railroad Administration standards therein specified; and

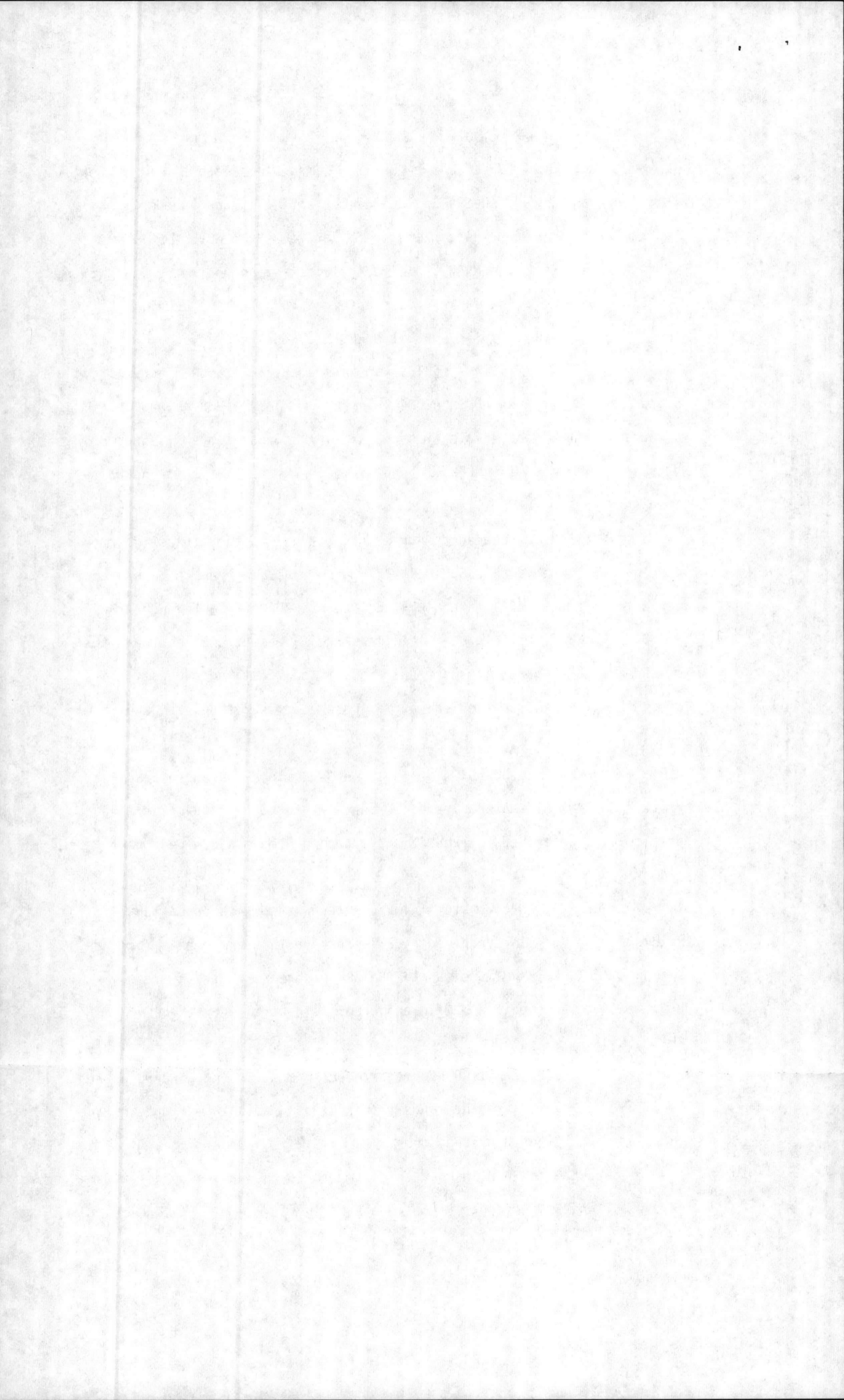
WHEREAS, the parties hereto have determined and agreed that a portion of said GOVERNMENT TRACKAGE requires certain emergency repairs as more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, in order to minimize interference with operations of the RAILROAD and avoid interruption of rail service to the Marine Corps Base, Camp Lejeune, the GOVERNMENT desires the RAILROAD perform that certain work required for the repair and maintenance of said portion of the GOVERNMENT TRACKAGE; and

WHEREAS, the RAILROAD agrees to perform said work, provided the GOVERNMENT shall furnish the funds therefor based upon an estimate of the costs as hereinafter provided; and

WHEREAS the parties hereto desire to further agree on certain matters of mutual concern incident to the repair of the GOVERNMENT TRACKAGE.

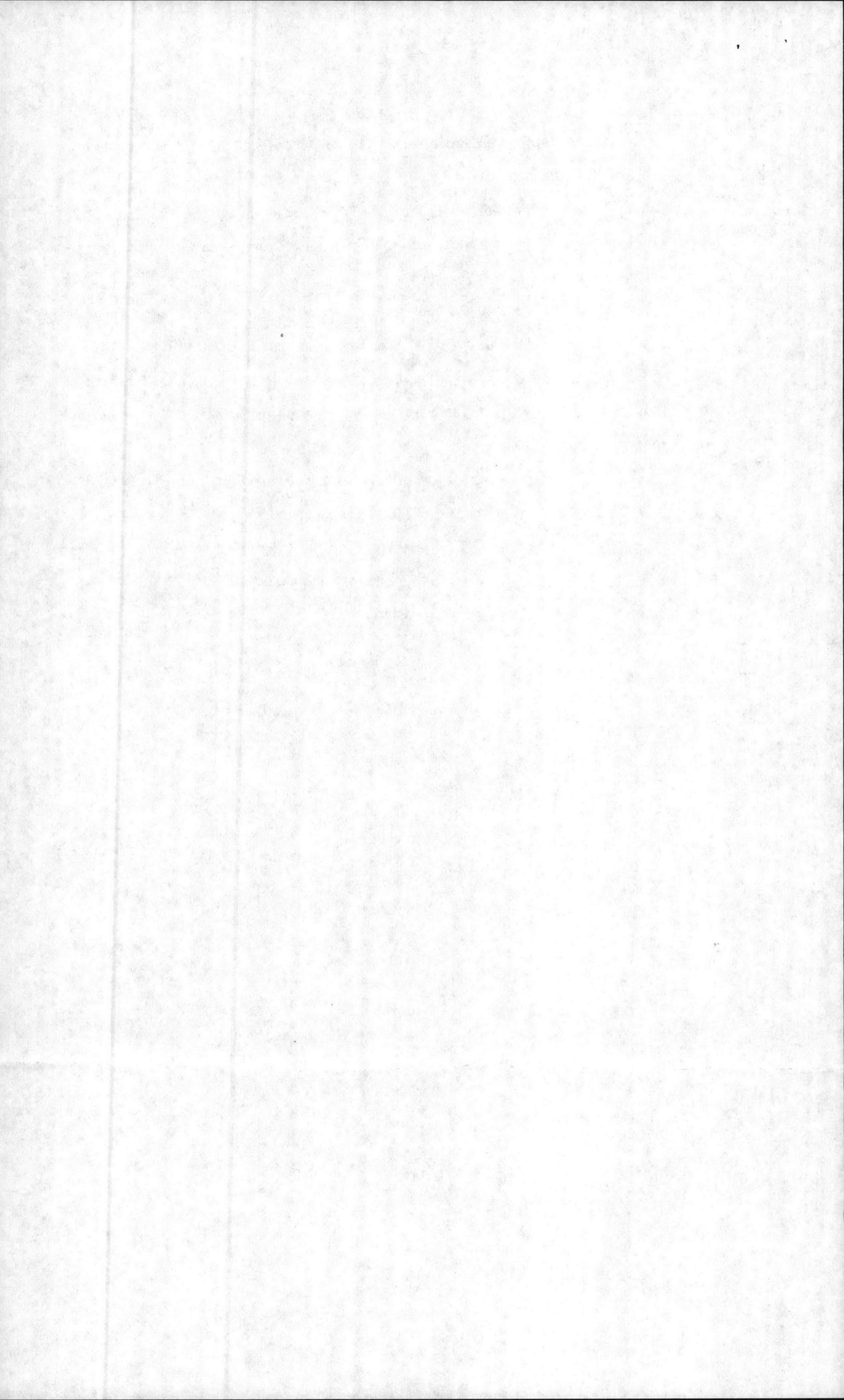
NOW, THEREFORE, for and in consideration of the prēmises, the parties hereto do mutually understand and agree as follows:



1. The RAILROAD shall resurface approximately four linear miles along the existing GOVERNMENT TRACKAGE and replace those 4,000 crossties and accomplish such other work as delineated in the Scope of Work attached hereto and make a part hereof as Exhibit "A". Additionally, the RAILROAD shall furnish such flagging, inspection and supervision as may be required in connection with aforesaid work.

2. The RAILROAD agrees to perform the work set forth in Article 1 hereinabove in accordance with the requirements of Exhibit "A". All changes to aforesaid Exhibit "A" shall be approved by the Commander, Atlantic Division, Naval Facilities Engineering Command prior to work commencing thereunder.

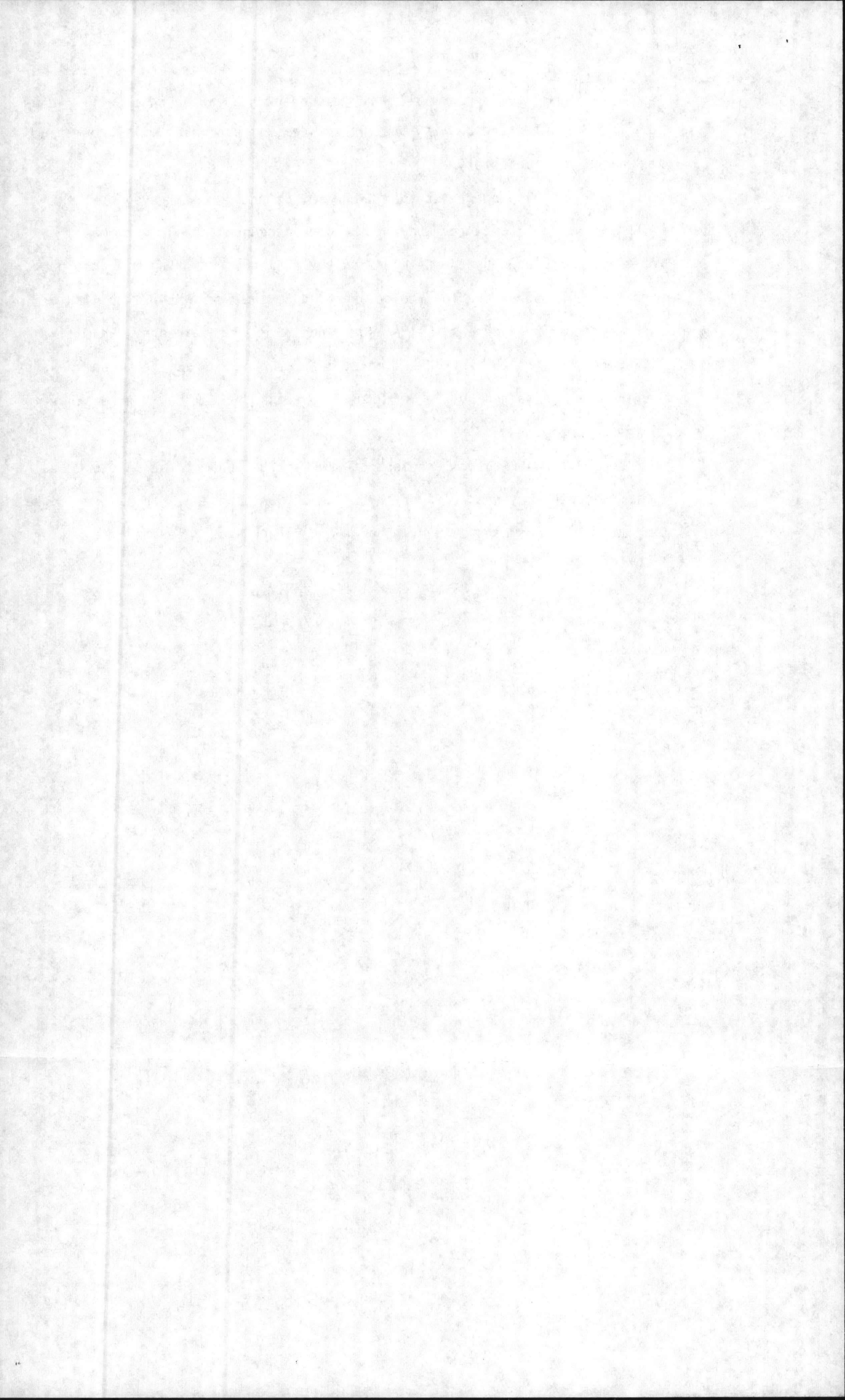
3. Upon completion of the work set forth in Article 1 hereinabove, the RAILROAD shall submit a bill to the GOVERNMENT for the actual costs thereof and the GOVERNMENT shall, after satisfying itself that said work has



best of its ability, perform all work hereunder in a manner which will reduce to a minimum interference with the flow of traffic and which will provide a maximum of traffic safety.

7. All property of the GOVERNMENT damaged or destroyed by the RAILROAD incident to performance of the work hereunder shall be promptly repaired or replaced by the RAILROAD to the satisfaction of and in accordance with plans and specifications to be approved by the GOVERNMENT. In lieu of such repair or replacement the RAILROAD shall, if so required by the GOVERNMENT, pay to the GOVERNMENT money in an amount sufficient to compensate for the loss sustained by the GOVERNMENT by reason of damage to or destruction of the property.

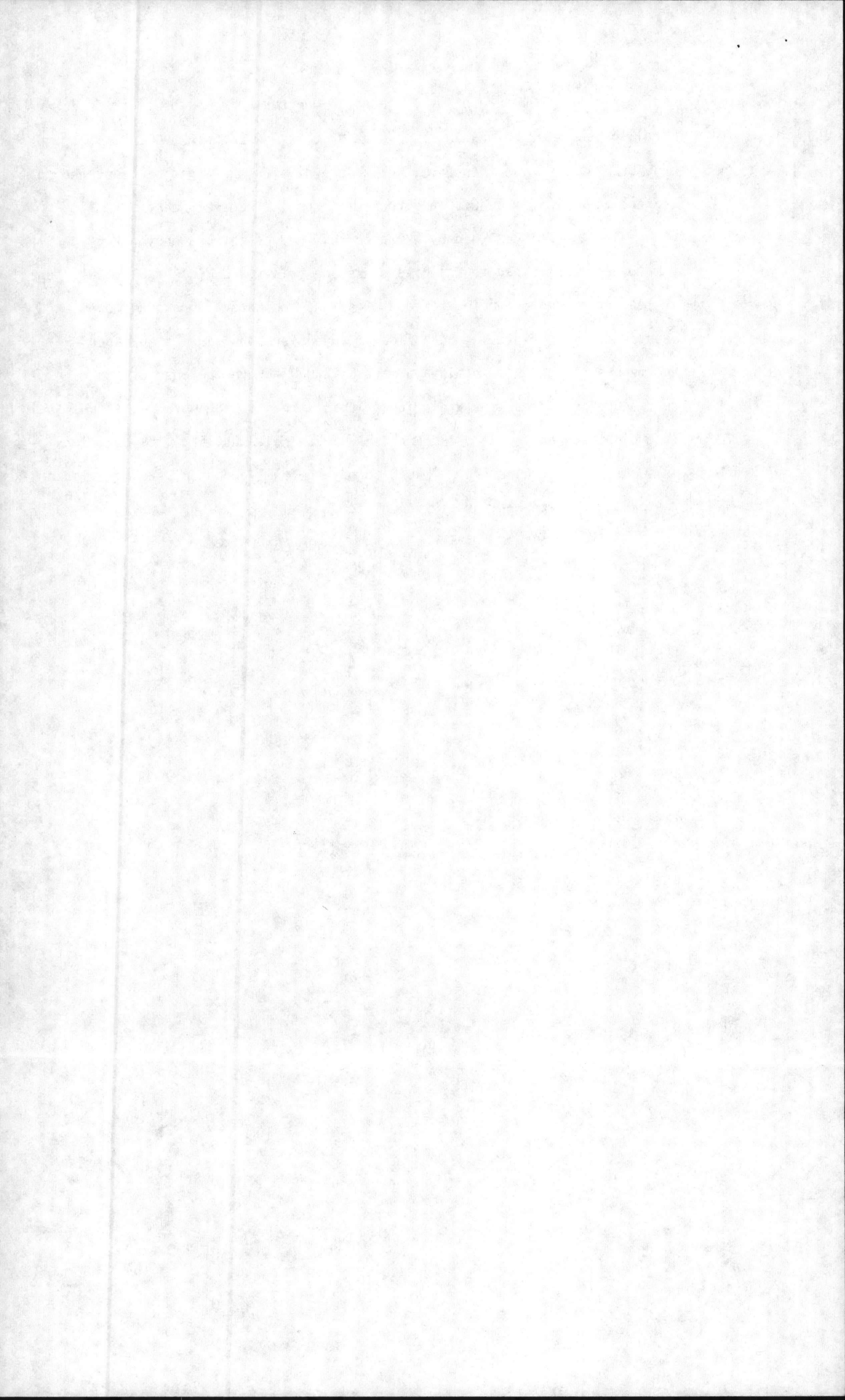
8. Prior to commencement of any work hereunder, the RAILROAD shall confer with the Resident Officer in Charge of Construction, Marine Corps Base, Camp Lejeune, regarding scheduling of the work and such rules and regulations



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

12. RAILROAD hereby warrants that no person or agency has been employed or retained to solicit or secure this SUPPLEMENTAL AGREEMENT upon agreement or understanding for a commission, percentage, brokerage or contingent fee, expecting 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 SUPPLEMENTAL AGREEMENT without liability or in its discretion to require the RAILROAD to pay the full amount of such commission, percentage, brokerage, or contingent fee.

13. (a) The GOVERNMENT may, by written notice to the RAILROAD.



IN WITNESS WHEREOF, the parties hereto have caused this SUPPLEMENTAL AGREEMENT to be executed by their duly authorized officials as of the day and year first hereinabove written.

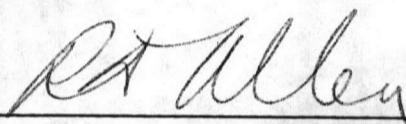
UNITED STATES OF AMERICA



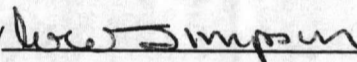
By direction of the Commander,
Atlantic Division, Naval Facilities
Engineering Command
Norfolk, Virginia 23511-6287

ATTEST:

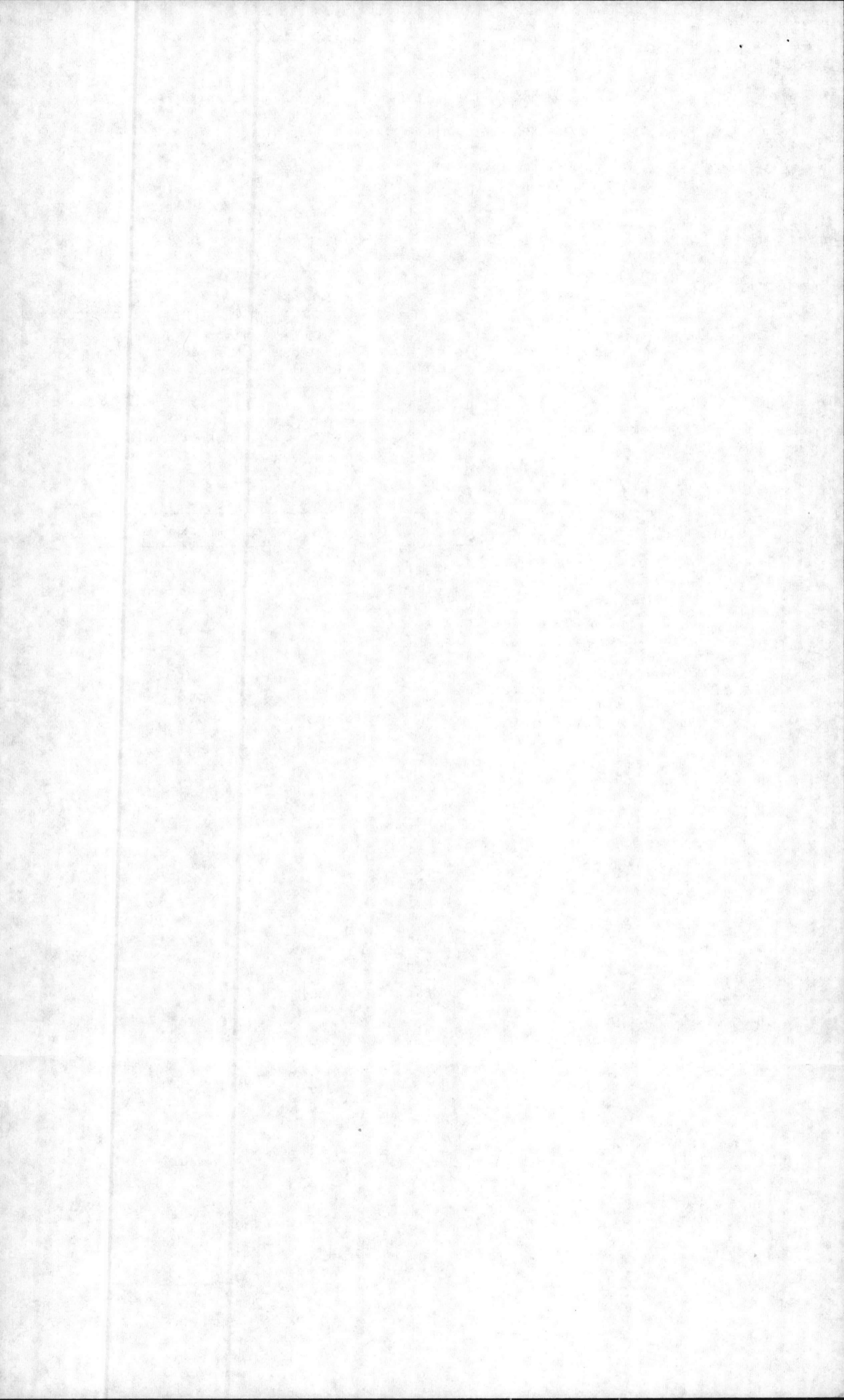
CAMP LEJEUNE RAILROAD COMPANY

By 

Title Assistant Secretary

By 

Title Vice President - Engineering



STATE OF Georgia)
)
CITY OF Atlanta)

I, F. J. Dollinger, a Notary Public in and for the State and City aforesaid, certify that R. D. Allen personally came before me this day and acknowledged that he is Assistant Secretary of the SOUTHERN RAILWAY COMPANY, a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument bearing the date of the 15th day of January, 1985, was signed in its name by its Assistant Secretary sealed with its corporate seal, and attested by himself as its Assistant Secretary.

Witness my hand and official seal, this 27th day of March, 1985.

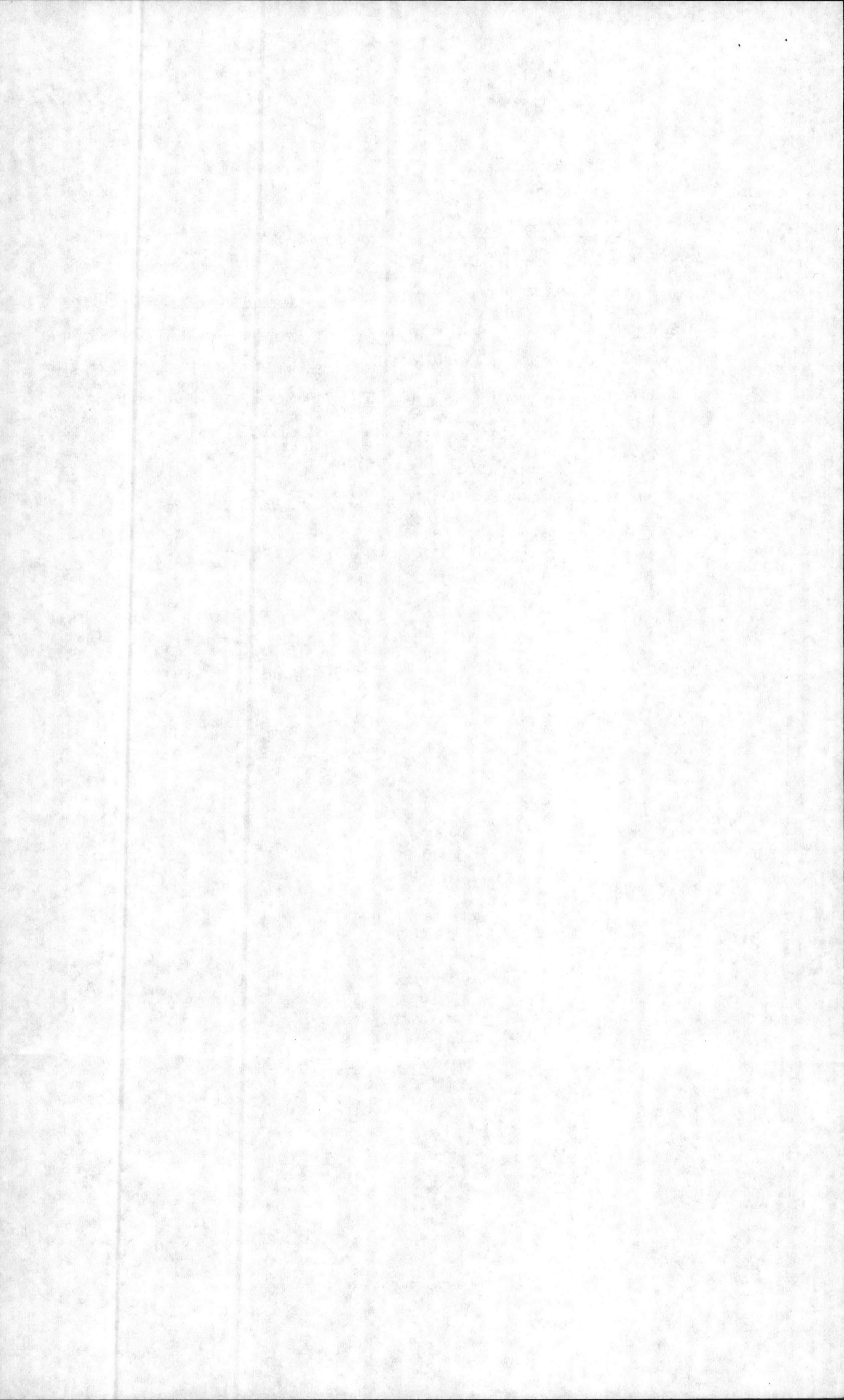


EXHIBIT "A"

CROSSTIES TO BE INSTALLED, CAMP LEJEUNE RR

M.P. 3.1	6 rails	45 x ties
M.P. 3.9	3 rails	20 x ties
M.P. 4.1	15 rails	105 x ties
M.P. 4.7	7 rails	21 x ties
M.P. 4.9	7 rails	20 x ties
M.P. 4.99	5 rails	50 x ties
M.P. 5.1	5 rails	20 x ties
M.P. 5.6	12 rails	14 x ties
M.P. 5.7	3 rails	21 x ties
M.P. 6.9	12 rails	37 x ties
M.P. 7.2	3 rails	15 x ties
M.P. 7.9	52 rails	12 x ties
M.P. 8.9	20 rails	70 x ties
M.P. 9.05	25 rails	75 x ties
M.P. 10.8-		
11.05	40 rails	296 x ties
M.P. 11.1	3 rails	20 x ties
M.P. 11.3	9 rails	36 x ties
M.P. 11.4	20 rails	70 x ties
M.P. 11.6	12 rails	90 x ties
M.P. 12.3	2 rails	7 x ties
M.P. 12.4-		
12.6	50 rails	290 x ties
M.P. 13.0-		
13.8	65 rails	390 x ties
M.P. 14.0-		
14.1	50 rails	145 x ties
M.P. 14.3-		
14.5	20 rails	95 x ties
M.P. 15.3.		
15.6	45 rails	91 x ties
M.P. 15.9	10 rails	40 x ties
M.P. 16.9-		
17.05	10 rails	60 x ties
M.P. 17.2-		
17.5	20 rails	75 x ties
M.P. 18.2-		
18.4	4 spots/curve	15 x ties
M.P. 18.5	3 rails	27 x ties
M.P. 18.5	3 rails	27 x ties
M.P. 18.6-		
18.8	10 rails	80 x ties
M.P. 19.0	2 rails	11 x ties
M.P. 19.3-		
19.4	20 rails	79 x ties
M.P. 20.2	10 rails	7 x ties
M.P. 20.9	5 rails	58 x ties
M.P. 21.2	14 rails	94 x ties
M.P. 21.3	7 rails	49 x ties
M.P. 21.4	6 rails	52 ties
M.P. 21.9	8 rails	27 x ties
M.P. 22.6	7 rails	71 x ties
M.P. 25.1	9 rails	56 x ties

M.P. 25.4	2 rails	Skip
M.P. 25.7	25 rails	175 x ties
M.P. 25.9	25 rails	251 x ties
M.P. 26.3	10 rails	101 x ties
M.P. 27.5-		
27.8	50 rails	388 x ties
M.P. 28.4-		
28.6	Surface Curve	42 x ties
M.P. 28.7	2 spots -	
	8 rails ea.	89 x ties
M.P. 28.8-		
29.0	10 rails	34 x ties
	TOTAL	4,000

Resurface 4 miles (2500 tons +/-) 1-1/2" granite stone.

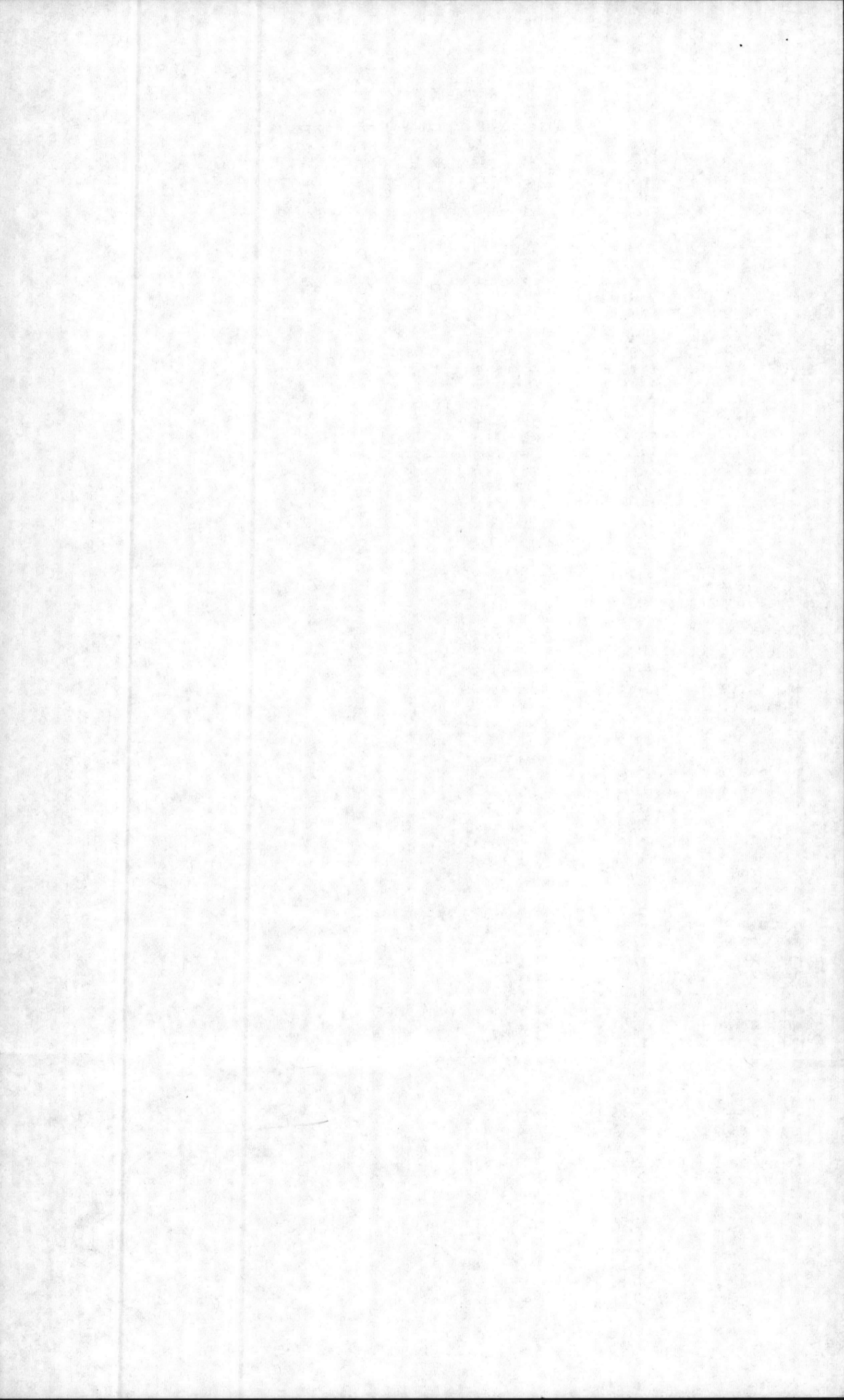
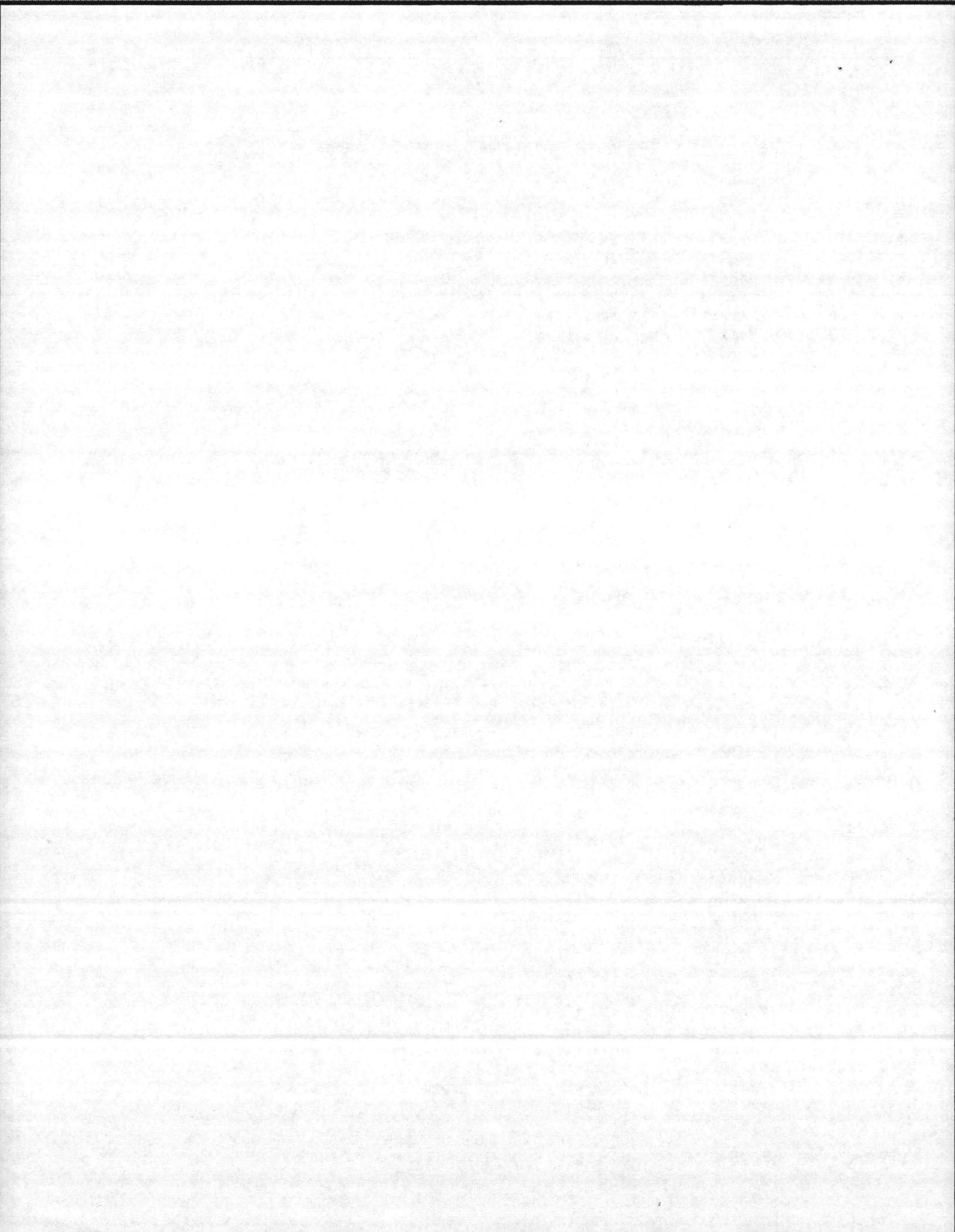


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M.P. 15.9	10 rails	40 x ties
M.P. 16.9-		
17.05	10 rails	60 x ties
M.P. 17.2-		
17.5	20 rails	75 x ties
M.P. 18.2-		
18.4	4 spots/curve	15 x ties
M.P. 18.5	3 rails	27 x ties
M.P. 18.5	3 rails	27 x ties
M.P. 18.6-		
18.8	10 rails	80 x ties
M.P. 19.0	2 rails	11 x ties
M.P. 19.3-		
19.4	20 rails	79 x ties
M.P. 20.2	10 rails	7 x ties
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