

ABLES & WALLACE

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November 20, 1978

9862

RECORDATION NO. Filed 1425

NOV 21 1978-2 45 PM

INTERSTATE COMMERCE COMMISSION

HAND DELIVERED

Mr. Gordon Homme
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Sir:

In accordance with Section 20c. of the Interstate Commerce Act, please file and record the enclosed Equipment Lease Agreement.

The agreement is between Mellon National Leasing Company, (Lessor), a Pennsylvania corporation of 3629 Mellon Bank Building, Pittsburgh, PA. 15219 and Interpool Ltd., (Lessee), a corporation organized under the laws of the Bahama Islands of 630 Third Avenue, New York, New York 10017.

The agreement of the parties has been duly executed and attested and provides in general for the lease of ten center flow, 100 ton covered railroad hopper cars. They will be located in the continental United States and operated in interstate commerce. The final delivery date of the equipment is December 31, 1978. The base term for the leased equipment is 180 months. Lessor's cost shall not exceed a specified amount per unit or in the aggregate and prescribed rent is payable by the Lessee.

Respective representations and warranties have been made by the parties. The Lessee is permitted to use the equipment and has assumed all risks and liabilities for each leased unit, holding the Lessor harmless from designated claims, suits, penalties, etc. The Lessee has a certain option to purchase the equipment at the expiration of the lease. The loss value for the leased equipment has been stipulated in the event the equipment is lost, stolen, destroyed, etc.

Clara ... Nancy Clayton

RECEIVED
I.C.C.

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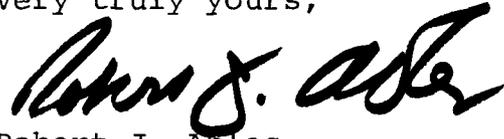
8-2234000

No.
Date.....
Fee \$.....

ICC Washington, D. C.

Also enclosed is a check for \$50 to cover the cost of filing and recording this Equipment Lease Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert J. Ables". The signature is written in a cursive style with a large, prominent initial "R".

Robert J. Ables
Attorney for Interpool Ltd.

RJA/emc

Enclosures

MELLON NATIONAL LEASING COMPANY

COPY 3 of 3
11/20/78

EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (this "Agreement"), dated as of the 31st day of October, 1978, by and between MELLON NATIONAL LEASING COMPANY, a Pennsylvania corporation (the "Lessor"), and INTERPOOL LIMITED, a corporation duly organized under the laws of the Bahama Islands and having its principal executive offices at the address set forth on the signature page hereof (the "Lessee"),

9862
RECORDATION NO. Filed 1425

W I T N E S S E T H T H A T :

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INTERSTATE COMMERCE COMMISSION

1. LEASING

In consideration of the representations, warranties and covenants herein contained and subject to the conditions set forth in Section 4 hereof, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor such unit or units of equipment (the "Units") described in the Equipment Lease Schedule or Schedules (the "Schedules") to be attached hereto and to become a part hereof as same are executed from time to time by the parties hereto. The form of such Schedule is attached hereto as Exhibit B. On the date of each delivery of the Units, Lessee will accept the Units by execution and delivery of an Acceptance Supplement or Supplements in substantially the form attached hereto as Exhibit A. Thereupon the Units covered thereby shall be deemed to have been accepted by Lessee on the delivery date specified in such Acceptance Supplement and become subject to and governed by all the provisions of this Lease.

2. TERM, RENT AND PAYMENT

2.1 Term. The lease of and rent for the Units shall commence on the day specified in the Schedule and shall continue for the period specified as the "term" in such Schedule. If any such term be extended, the word 'term' or 'period' as used in this Agreement shall be deemed to refer to the extended term, and all provisions of this Agreement shall apply during and until the expiration of such extended period, except as may be otherwise specifically provided in this Agreement or in any subsequent written agreement of the parties.

2.2 Rent. The rent for the Units shall be in the amount set forth in the Schedule and shall be payable in immediately available funds at the times set forth in the Schedule. As additional rent, Lessee shall pay and discharge, when due, all license fees (including without limitation any initial motor vehicle title registration fees and the like and any and all renewals thereof), assessments and sales, use, rent, property and other taxes now or hereafter imposed by any State, Federal or local government upon the Units or their use or payments hereunder (except Federal or State income taxes levied on Lessor's income), or upon this Agreement, whether the same be payable by or billed or

assessed to Lessor or to Lessee, together with any penalties or interest in connection therewith; provided, however, that if under local law or custom Lessee may not make any such payments Lessee will promptly notify Lessor and reimburse Lessor on demand for all payments thereof made by Lessor. In the event any rent is not paid on or before the due date, such arrearage may, at the election of Lessor, be subject to interest at the rate of 12% per annum.

2.3 Payment. Rent shall be paid to Lessor at its office at 3629 Mellon Bank Building, Pittsburgh, Pennsylvania 15219, or as directed by Lessor, and shall not be abated or pro-rated for any cause or reason. Lessee's obligation to pay all rent under this Agreement shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation, any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or any assignee of Lessor.

3. REPRESENTATIONS AND WARRANTIES

3.1 Lessor's Representations and Warranties. Lessor represents and warrants that Lessor has received whatever title was conveyed to it by the seller from whom Lessor purchased the Units and that the Units are free of liens and encumbrances which may result from any claims against Lessor not related to Lessor's ownership of the Units. Lessor further represents and warrants that it has the lawful right to lease the Units to Lessee in accordance with the terms hereof. Unless an Event of Default (as defined in Section 13 hereof) shall have occurred and be continuing, Lessor agrees to assign to Lessee, to the extent assignable, for and during the term of this Agreement, such rights as Lessor may have under any warranty with respect to the Units and hereby authorizes Lessee during the term of this Agreement to obtain any customary service furnished in connection therewith. THE WARRANTIES OF LESSOR SET FORTH IN THIS SECTION 3.1 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, GUARANTEES OR COVENANTS OF LESSOR WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, AND LESSOR HAS NOT AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE UNITS UNDER THIS AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN THE UNITS, BUT NOTHING HEREIN CONTAINED SHALL BE DEEMED TO LIMIT LESSEE FROM AVAILING ITSELF OF ANY WARRANTIES ASSIGNED BY LESSOR TO LESSEE.

3.2 Lessee's Representations and Warranties.

Lessee represents and warrants that:

(a) Lessee is a corporation duly organized and existing in good standing under the laws of the Bahama Islands and is duly qualified to do business wherever necessary to carry on its present business and operations;

(b) This Agreement has been duly authorized by all necessary corporate action on the part of Lessee, does not require any shareholder approval and does not contravene any law binding on Lessee or contravene Lessee's Articles of Incorporation or By-Laws or any indenture, credit agreement or other contractual agreement to which Lessee is a party or by which it is bound;

(c) Neither the execution and delivery by Lessee of this Agreement nor any of the transactions by Lessee contemplated hereby require any notice, consent or approval except for filing, registering or recording this Agreement pursuant to Section 20(c) of the Interstate Commerce Act;

(d) This Agreement constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms;

(e) There are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect Lessee's financial condition or operations;

(f) The financial statements contained in Lessee's Annual Report to Shareholders for the fiscal year ended November 30, 1977, a copy of which Lessee has previously furnished to Lessor, fairly present the financial condition as of such date and its results of operations for the two years then ended; and since such date there has been no material adverse change in the Lessee's financial or business condition.

4. CONDITIONS TO LESSOR'S OBLIGATION

Lessor's obligation to lease the Units hereunder is subject to Lessor's execution and delivery of a contract of purchase of the Units satisfactory to the Lessor and the receipt by Lessor (at the time or times indicated) of the following documents, in each case in form and substance satisfactory to Lessor and its counsel:

(a) Prior to the delivery of the first Acceptance Supplement, resolutions of the Board of Directors of Lessee, certified by the Secretary or an Assistant Secretary of Lessee, duly authorizing the lease of the Units hereunder and the execution, delivery and performance of this Agreement, together with an Incumbency Certificate as to the person or persons authorized to execute and deliver documents on behalf of Lessee;

(b) Prior to the delivery of the first Acceptance Supplement, an opinion of counsel for Lessee, satisfactory in form and substance to Lessor as to each of the matters set forth in Section 3.2 hereof (other than clause (f) thereof), and as to such other matters as Lessor may reasonably request;

(c) Prior to the delivery of the first Acceptance Supplement, evidence satisfactory to Lessor as to the due compliance by Lessee with the insurance provisions of Section 8 hereof; and

(d) Concurrently with the delivery of each Acceptance Supplement, a certificate of Lessee's principal executive or financial officer to the effect that the representations and warranties of Lessee set forth in Section 3.2 hereof remain true and correct as of the date of such Acceptance Supplement.

(e) This Agreement shall have been duly filed, recorded and deposited in conformity with Section 20(c) of the Interstate Commerce Act.

5. REPORTS

5.1 Location of Units. Upon demand Lessee shall, to the extent practicable, advise Lessor where each Unit is located and shall, to the extent practicable, arrange for and permit persons designated by Lessor to visit and inspect each Unit.

5.2 Accidents. Upon receipt of notification by Lessee, Lessee shall immediately notify Lessor of each accident arising out of the alleged or apparent improper manufacturing, functioning or operation of any Unit, the time, place and nature of the accident and damage, the names and addresses of parties involved, persons injured, witnesses and owners of property damaged, and such other information as may be known, and promptly advise Lessor of all correspondence, papers, notices and documents whatsoever received by Lessee in connection with any claim or demand involving or relating to improper manufacturing, operation or functioning of any Unit or charging Lessor with liability, and, together with Lessee's employees, aid in the investigation and defense of all such claims and shall aid in the recovery of damages from third persons liable therefor.

5.3 Additional Reports. To the extent practicable, Lessee shall also furnish to Lessor such additional information concerning the location, condition, use and operation of the Units as Lessor may reasonably request from time to time, and shall arrange for and shall permit any person designated by Lessor to examine the records maintained in connection therewith and to discuss the affairs, finances and accounts of Lessee with the principal officers of Lessee, all at such reasonable times as often as Lessor may reasonably request.

5.4 Tax Liens. Lessee shall notify Lessor in writing, within ten days after receipt of notification by Lessee, any day on which any tax lien shall attach to any Unit, of the location of such Unit on such day.

5.5 Licenses and Ownership Registration. Lessee shall take such action as may be necessary to comply with all applicable laws and regulations, Federal, State and local, relating to the registration of ownership and procurement of licenses for the use and operation of all the Units, and shall furnish to Lessor original and duplicate copies of all documentation thereof, which shall show Lessor's ownership of the Units.

5.6 Financial Reports. Lessee shall, as soon after the close of each fiscal year of Lessee as practicable, furnish the Lessor in duplicate copies of Lessee's most recent financial reports, including Lessee's most recent annual report and balance sheet and profit and loss statement, certified by either a recognized firm of Certified Public Accountants or by the chief financial officer of Lessee. Each such report shall be accompanied by a certificate of such officer to the effect that there are no existing Events of Default hereunder and no condition which, with the giving of notice or lapse of time would become an Event of Default (or if any of same shall be in existence, identifying same and specifying the action which Lessee proposes to take for curing same). Interim statements so certified shall be furnished as requested by Lessor. In addition, Lessee shall, concurrently with the filing thereof, furnish Lessor with copies of all reports filed with the Securities and Exchange Commission.

6. SERVICE

6.1 Supplies. Lessee shall pay for and provide all power, fuel and supplies consumed by and required for each Unit and all repairs, parts and supplies necessary therefor.

6.2 Maintenance. The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit in good order and repair, ordinary wear and tear excepted. The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including when applicable the rules of the Interstate Commerce Commission, the Department of Transportation and the current Interchange Rules, or supplements thereto, of the Association of American Railroads) with respect to the use, maintenance and operation of each Unit. In case any equipment or appliance on any Unit shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on any Unit in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such changes, additions and replacements at its own expense; and the Lessee agrees to maintain each Unit in full compliance with such laws, regulations, requirements and rules so long as it is subject to this Agreement.

If at any time during the lease term of Unit it shall be determined by the Interstate Commerce Commission, the Department of Transportation or by the Association of American Railroads that any Units do not conform to their respective standards, specification and requirements, Lessor may, at its option, upon 30 days' notice to Lessee, declare terminated the lease of such nonconforming Unit if Lessee does not agree in writing within said 30-day period to correct such non-conformity at its sole cost and expense. If the Lessee so agrees, it shall effect such correction within 120 days from the date of such notice or such longer period as may be permitted by the Interstate Commerce Commission, the Department of Transportation or the Association of American Railroads, but in any event prior to the expiration of the term of this Agreement. Upon a declaration of termination under this Section, Lessee shall pay to Lessor on the next succeeding rental payment date the Stipulated Loss Value (as defined in the Lease Schedule hereto) of such Units as of the date of such payment, in accordance with the Lease Schedule. Upon payment of such Stipulated Loss Value and payment of all rent accrued and unpaid on each such Unit to the date of payment, (i) rent on each such Unit shall cease to accrue, (ii) title to each such Unit shall automatically pass to the Lessee WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, ON THE PART OF LESSOR, and (iii) the term of lease of each such Unit shall end.

Any readily removeable freight car parts installed or replacements made by the Lessee or any sublessee upon any Unit which are not required in order to maintain the Unit in good working condition (reasonable wear and tear excepted) or in order to conform with the requirements of the Interstate Commerce Commission, the Association of American Railroads or the similar governing entities shall be the property of the Lessee and title thereto shall be immediately vested in the Lessee. All other freight car parts installed or replacements made by the Lessee or any sublessee upon any Unit shall be considered accessories to such Unit and title thereto shall be immediately vested in the Lessor, without cost or expense to the Lessor.

6.3 Accessories. Lessee shall not, without the prior written consent of Lessor, affix or install any accessory, equipment or device on any Unit if such addition will impair the originally intended function or use of any such Unit. All repair parts, supplies, accessories, equipment and devices furnished or affixed to any Unit shall thereupon become the property of Lessor (except such as may be removed without in any wise affecting or impairing the originally intended function or use of such Unit or its compliance with applicable laws, rules and regulations). Lessee shall not, without the prior written consent of Lessor and subject to such conditions as Lessor may impose for its protection, affix or install any Unit to or in any other personal property or any real property.

6.4 Suitability. Lessee acknowledges and agrees that (i) each Unit is of a size, design, capacity and manufacture selected by Lessee, (ii) Lessee is satisfied that the same is suitable for its purposes and (iii) Lessor is not a manufacturer thereof nor a dealer in property of such kind. Lessee agrees that Lessor shall not be liable to Lessee for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by any Unit or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failing to provide any thereof, or any interruption or loss of service or use thereof, or any loss of business, or any damage whatsoever and howsoever caused.

6.5 Identification Marks. The Lessee will cause the Unit to be kept numbered with the identifying numbers set forth in the Acceptance Supplements and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each such Unit, in letters not less than one inch in height, the words "Property of and leased from Mellon National Leasing Company subject to an agreement filed under the Interstate Commerce Act, Section 20(c)" or other appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Unit and its rights under this Agreement. The Lessee will not permit any Unit to be placed in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Unit except with the consent of the Lessor and in accordance with a statement of new identifying numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee; provided, however, that, in addition to such identifying number, the Lessee may cause to be placed on each Unit in such position as not to be confused with the identifying number thereon a reporting number identifying such Unit for reporting and operating purposes, which reporting number may be changed by the Lessee from time to time without the consent of the Lessor or the filing, recording, registering and depositing of any instrument.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Units as a designation that might be interpreted as a claim of ownership. Subject to the foregoing, the Lessee may cause the Units to be lettered with the names or initials or other insignia used by the Lessee or any sublessee or their respective affiliates on railroad equipment used by it of the same or similar type for convenience of identification of the right of the Lessee or any sublessee to use the Unit under this Agreement.

7. USE AND OPERATION

7.1 Permitted Use. Lessee shall not use, operate, maintain or store any Unit improperly, carelessly or in violation of this Agreement, or of any applicable regulatory laws and bodies whatsoever, or of any instructions therefor furnished by Lessor or the manufacturer thereof, or at any location outside the continental United States; nor use or operate any Unit other than in a manner and for the use contemplated by the manufacturer thereof; nor sublease, let or use the same for hire other than to ~~the extent and in the manner similar property has heretofore been let or used for hire in the regular and ordinary course of business by~~ a regulated railroad transportation company; nor, without the prior written consent of Lessor, assign this Agreement (it being understood that written consent in one instance shall apply only in the given instance and shall not constitute a waiver of any of the terms of this Agreement); nor permit any Unit to be subject to any lien, charge or encumbrance whatsoever except as otherwise expressly provided herein. Lessee further covenants and agrees that any sublease permitted by this Section 7 shall be made expressly subject and subordinate to all the terms of this Agreement, including without limitation all of Lessor's rights and remedies pursuant to Sections 11 and 13 hereof and the restriction of the use thereof to the continental United States, that Lessee shall take such action as may be necessary or advisable to cause the rights of any person obtaining possession of any Unit to be and remain subject and subordinate to this Agreement, and that no such sublease shall diminish any of the duties and obligations of the Lessee under this Agreement.

7.2 Assumption of Risk. Lessee assumes all risks and liability for each Unit leased hereunder and shall be liable for and shall save and hold harmless the Lessor against any and all claims, suits, damages, penalties, liabilities, costs and attorneys' fees arising out of the use, operation and storage of the Unit which result in death, injury, sickness or disease to persons or damage to property, including loss of use thereof.

8. INSURANCE

At its own expense, Lessee shall maintain physical damage insurance on each Unit against fire and such other hazards normally insured against by business enterprises similar to Lessee's for the actual value of such Unit and in no event for less than the "Stipulated Loss Value" specified in the Schedule pertaining thereto, and shall maintain liability insurance for bodily injury and property damage with respect to each Unit in such amounts as are normally carried by similar business enterprises. All such insurance shall be maintained throughout the term of this Agreement and during any subsequent period in which the Units are being assembled and/or stored in accordance with Section 11 hereof. All such insurance shall name Lessee and Lessor as insured thereunder and shall be in amounts and with companies approved by Lessor. Evidence of such coverage shall be delivered to Lessor promptly after execution of this Agreement. Thereafter, Lessee will deliver to Lessor all renewal policies of insurance issued in accordance with the terms and conditions as set forth above. Lessee will cause its insurers to advise Lessor in writing promptly in the event such insurance is as a result of any default in payment of premium or any other act or omission invalidated or rendered unenforceable in whole or part. All insurance policies and coverage required under the terms of this Lease shall provide for not less than thirty (30) days notice to Lessor at the address stated herein, in the event of reduction, termination or cancellation of insurance by Lessee or its insurers. In the event that Lessee shall fail to maintain insurance as herein provided, Lessor may, at its option, provide such insurance and, in such event, Lessee shall upon demand, reimburse Lessor for the cost thereof.

9. INDEMNIFICATION AND EXPENSES

Lessee does hereby assume liability for, and does hereby agree to indemnify, protect, save and keep harmless Lessor and its successors, representatives, assigns, agents, and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor or its successors, assigns, agents and servants (whether or not also indemnified against by any other person) in any way relating to or arising out of the manufacture, purchase, acceptance or rejection, ownership, delivery, lease, possession, use, operation, condition, return or other disposition of the Units (including, without limitation, patent and other defects, whether or not discoverable by Lessor or Lessee, and any claim for patent, trademark or copyright infringement). Lessee agrees to give Lessor and Lessor agrees to give Lessee prompt written notice of any claim or liability hereby indemnified against. All the indemnities contained in this Section 9 shall as to

matters arising during the term hereof continue in full force and effect notwithstanding the expiration or other termination of this Lease. Notwithstanding anything to the contrary contained in this Section, any legal fees incurred by either party hereto in connection with any dispute between Lessor and Lessee as to this Agreement shall be borne by the party for whose benefit such fees were incurred.

10. DAMAGE TO EQUIPMENT

Lessee assumes all risks of loss, theft or destruction of, and damage to, each Unit, howsoever occasioned and shall defend and hold Lessor harmless from any thereof and from all claims and liens for storage, labor and materials incurred by Lessee in connection with any Unit. Should a Unit be damaged so as to preclude its use for the purpose intended by reason of any cause for which Lessor shall be indemnified pursuant to any collectible insurance pertaining to such Unit and should Lessor have made a full insurance recovery with respect thereto in an amount not less than the "Stipulated Loss Value" specified in the Schedule, this Agreement shall terminate as to such Unit. Should a Unit be damaged so as to preclude its use for the purpose intended by reason of any cause for which Lessor shall not be fully indemnified pursuant to any collectible insurance pertaining to such Unit and should Lessor have made an insurance recovery with respect thereto in an amount which is less than the Stipulated Loss Value specified in the Schedule and should such Unit be capable of repair, Lessee shall repair or replace the same at its cost and the proceeds of the insurance recovery shall be applied to the cost of such repair or replacement. Should a Unit be damaged beyond repair or be lost, stolen or wholly destroyed by reason of any cause for which Lessor shall not be fully indemnified pursuant to any insurance pertaining to such Unit, then this Agreement shall cease and terminate as to such Unit and Lessee shall pay Lessor the Stipulated Loss Value specified in the Schedule, less the amount of any insurance recovery received by Lessor.

11. RETURN OF UNITS

(a) Condition upon Acceptance. Lessee agrees that its acceptance of each Unit shall constitute Lessee's acknowledgement that such Unit is in good operating order, repair, condition and appearance.

(b) Return of Cars Upon Expiration of Term. As soon as practicable on or after the expiration of the term of this Agreement with respect to any Unit (except any Unit title to which has passed to the Lessee pursuant to Sections 6.3 or 10 hereof), the Lessee will, at its own cost and expense, at the request of the Lessor, cause possession of such Unit to be delivered to the Lessor upon any storage tracks, as the Lessee may reasonably designate, within 500 miles of Chicago, Illinois, or such other place as the parties may mutually agree, and

✓ permit the Lessor to store such Unit on such tracks for a period not exceeding one month. The movement and storage of such Units is to be at the expense and risk of the Lessee. Upon expiration of the Lease, the Lessee shall pay to Lessor for each day thereafter until the Units are available on such storage track an amount equal to the daily equivalent of the rent for such Units. ✓ During any such storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect, at its sole cost and expense, the same. ✓ During all such inspections the representatives of the Lessor shall be entitled to the standard of care owed a business invitee and shall be entitled to recover from the Lessee for any injury or damage caused by the negligence or willful misconduct of the Lessee or, to the extent not otherwise covered in full by a sublessee's insurance, of any sublessee. The assembling, delivery and storage of the Units as hereinbefore provided are of the essence of this Agreement, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, delivery and store the Units.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 11(b), the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to delivery possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whosoever shall be at the time in possession of such Unit.

12. LESSEE'S OPTIONS

12.1 Lessee's Option to Purchase. Provided that the Lessee is not in default hereunder, Lessee shall have the right to purchase all, but not less than all, of the Units at the expiration of the term therefor at a price equal to its then "fair market value" (as hereinafter defined). The Lessee shall give the Lessor written notice 180 days prior to the end of the original term of its election to exercise such option. Payment of the option price is due upon expiration of this Lease and shall be made at the place of payment specified in Section 2.3 hereof in funds there current against delivery of a bill of sale transferring such Unit to the Lessee. The "fair market value" of such Unit shall be determined by an appraiser selected by mutual agreement of the Lessor and the Lessee. If the Lessor and the Lessee are not able to agree upon an appraiser then the Lessee shall

select an appraiser (the "Lessee's Appraiser") and the Lessor shall select an appraiser (the "Lessor's Appraiser") and the fair market value shall then be determined by consensus between the two appraisers. If the Lessee's Appraiser and the Lessor's Appraiser are not able to reach a consensus regarding the fair market value then the fair market value shall be determined by an appraiser selected by mutual agreement of the Lessee's Appraiser and the Lessor's Appraiser. The fair market value as finally determined shall bear interest for the period, if any, from the date of expiration of this Lease to the date of payment at the rate of 12% per annum. Unless the Lessee has given the Lessor 180 days' notice as required in connection with exercise of the foregoing option, the Units shall be returned to the Lessor as required by Section 11 hereof. Expenses incurred by the appraiser or appraisers in arriving at the fair market value are specifically for the account of the Lessee.

12.2 Lessee's Option to Renew. Provided that the Lessee is not in default hereunder, Lessee shall have the right to renew all, but not less than all, of the Units at the expiration of the original term on an annual basis at a rental equal to its then "fair rental value" (as hereinafter defined). The Lessee shall give the Lessor written notice 180 days prior to the end of the original term of its election to exercise such option. The "fair rental value" shall be determined by an appraiser selected by mutual agreement of the Lessor and the Lessee. If the Lessor and the Lessee are not able to agree upon an appraiser then the Lessee shall select an appraiser (the "Lessee's Appraiser") and the Lessor shall select an appraiser (the "Lessor's Appraiser") and the fair rental value shall then be determined by consensus between the two appraisers. If the Lessee's Appraiser and the Lessor's Appraiser are not able to reach a consensus regarding the fair rental value within 60 days of the expiration of the term then the fair rental value shall be determined by an appraiser selected by mutual agreement of the Lessee's Appraiser and the Lessor's Appraiser. Unless the Lessee has given the Lessor 180 days' notice as required in connection with exercise of the foregoing option, the Units shall be returned to the Lessor as required by Section 11 hereof. Expenses incurred by the appraiser or appraisers in arriving at the fair rental value are specifically for the account of the Lessee.

13. DEFAULTS

13.1 Defaults; Remedies. If during the continuance of this Lease one or more of the following events ("Events of Default") shall occur:

(a) default shall be made in the payment when due of any rent herein provided and such default shall continue for ten (10) days; or

(b) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for ten days after written notice from the Lessor to the Lessee specifying the default and demanding the same to be remedied; or

(c) a decree or order by a court having jurisdiction in the premises shall have been entered (i) adjudging the Lessee a bankrupt or insolvent, or (ii) approving as properly filed a petition seeking reorganization of the Lessee under the Bankruptcy Act or any other state or federal law relating to bankruptcy or insolvency, or (iii) for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of the Lessee or of its property or any substantial portion of its property, or (iv) for the winding up or liquidation of the affairs of the Lessee, and such decree or order shall have remained in force undischarged and unstayed for thirty (30) days; or

(d) the Lessee shall (i) institute proceedings to be adjudged a voluntary bankrupt, or (ii) consent to the filing of a bankruptcy proceeding against it, or (iii) file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or (iv) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or (v) make an assignment for the benefit of the creditors, or shall admit in writing its inability to pay its debts generally as they become due, or (vi) take any corporate action in furtherance of any of the aforesaid purposes or otherwise looking to its liquidation or dissolution;

then, in any such case, the Lessor at its option may

(A) proceed by appropriate court action or actions either at law or in equity to enforce performance by Lessee of the applicable covenants and terms of this Agreement or to recover from Lessee any and all damages or expenses, including reasonable attorneys' fees, which Lessor shall have sustained by reason of Lessee's default in any covenant or covenants of this Agreement or on account of Lessor's enforcement of its remedies hereunder; or

(B) terminate Lessee's rights under this Agreement and take possession of all of the equipment leased hereunder (damages occasioned by such taking of possession are hereby expressly waived by Lessee), and thereupon Lessee's right to the possession thereof shall terminate. In the event of any such repossession, Lessor shall either (i) lease the Units or any portion thereof for such period and rent, and to such persons, as Lessor shall elect or (ii) sell the Units or any portion thereof at public or private sale and without notice of intention to sell. If any Unit is sold, leased or otherwise disposed of pursuant to this clause (B), Lessee shall be liable to Lessor for, and Lessor may recover from Lessee, as liquidated damages for the breach of this Agreement, but not as a penalty, and as reasonable rent for the use of such Unit and for the depreciation thereof, the amount by which the proceeds of such lease, sale or other disposition, less expenses of retaking, storage, repairing and lease, sale or other disposition, and reasonable attorneys' fees incurred by Lessor is less than the sum of (1) all due and unpaid rent for such Unit, (2) the "Stipulated Loss Value" as of the date of repossession by Lessor, (3) an amount equal to accrued taxes, and other amounts payable hereunder by Lessee with respect to such Unit (4) all costs, expenses, losses and damages incurred or sustained by Lessor by reason of such default, and (5) interest at the rate of 12% per annum on each of the foregoing and on all sums not paid when due under any provision of this Agreement. If on the date of such termination or repossession, any Unit or any part thereof be damaged, lost, stolen or destroyed, or be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall also remain liable for the "Stipulated Loss Value" pertaining to such Unit less the amount of any insurance recovery received by Lessor in connection therewith.

14. ASSIGNMENT BY LESSOR

Lessee acknowledges and understands that the terms and conditions of this Agreement have been agreed to by Lessor in anticipation of its being able to assign its interest under this Agreement and in and to the Units leased hereunder to a bank or other lending institution or to others having an interest in the leased Units or this transaction, all or some of which will rely upon and be entitled to the benefit of the provisions of this Section 14; and Lessee agrees with Lessor and with such bank or other lending institution or such other party (for whose benefit this covenant is expressly made) and in consideration of the provisions hereof, as follows: (i) to recognize any such assignment, (ii) to accept the directions or demands of such assignee in place of those of Lessor, (iii) to surrender any leased property only to such assignee, (iv) to pay all rent payable hereunder and to do any and all things required of Lessee hereunder and not to terminate this Agreement, notwithstanding any default by Lessor or the existence of any offset as between Lessor and Lessee or the existence of any other liability or obligation of any kind or character on the part of Lessor to Lessee whether or not arising hereunder, and (v) not to require any assignee of this Agreement to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Agreement, all rights of Lessee in any such connection being hereby waived as to any and all of such assignees; provided, however, that nothing contained in this Section 14 shall relieve Lessor from its obligations to Lessee hereunder.

15. FEDERAL INCOME TAXES

(a) As between Lessor and Lessee, Lessor, as the owner of each Unit, shall be entitled to such deductions, credits and other benefits as are provided by the Code to an Owner of property, including, without limitation, (i) an allowance for an investment tax credit as provided by Section 38 of the Code and (ii) an allowance for depreciation as provided by Section 167 of the Code. Accordingly, Lessee represents and warrants that (i) at the time Lessor becomes the owner of the Equipment, the Equipment constitutes "new Section 38 property" within the meaning of Section 48(b) of the Code and at such time, none of the Units have been used by any person so as to preclude "the original use of such property" within the meaning of Sections 48(b) and 167(c)(2) of the Code from commencing with Lessor by virtue of this Agreement and (ii) at all times during the term relating to the respective Units, each Unit will constitute "Section 38 property" within the meaning of Section 48(a) of the Code.

(b) Lessee acknowledges that the anticipated availability to Lessor of a specified amount of investment tax credit and an annual allowance for depreciation is fundamental to the economics of this Agreement. Lessee further acknowledges that certain factors affecting such investment tax credit and allowance for depreciation are within the knowledge, control and experience of Lessee. Accordingly, the basis upon which the investment tax credit and allowance for depreciation will be determined are set forth in paragraph (c) below.

(c) As used in this Agreement: (i) the term "ITC" shall mean an amount of investment tax credit equal to the sum of 10% of Lessor's cost of each Unit of Equipment; (ii) the term "Depreciation Deductions" shall mean an allowance for depreciation based on a 12 year depreciable life as provided in ADR Guideline Class 00.25, Rev. Proc. 77-10, utilizing the 200% declining balance method and then switching to the sum of the years digits method to a 10% salvage value; and (iii) the term "Code" shall mean the Internal Revenue Code of 1954, as amended to the date hereof and as in effect on the date hereof.

(d) If there shall be a disallowance, elimination, recomputation, reduction, recapture or disqualification (hereinafter called "Loss"), in whole or in part, of the ITC for any Unit, Lessee shall pay to Lessor as additional rent, within ten days after receipt of written request from Lessor, an amount which, after deduction of federal, state and local income taxes, and interest and penalties required to be paid by Lessor with respect to the receipt of such additional rent, is equal to such Loss of the ITC.

(e) If there shall be a Loss, in whole or in part, of Depreciation Deductions for any Unit, Lessee shall pay to Lessor as additional rent, after written request of Lessor, an amount which, after deduction of federal, state and local income taxes, and interest and penalties required to be paid by Lessor with respect to the receipt of such additional rent, will (in the reasonable opinion of Lessor) cause Lessor's net yield in respect of such Unit to equal the net yield that Lessor had expected to receive if Lessor had not suffered a Loss with respect to the Depreciation Deductions. Such additional rent shall be payable over the then remaining Term commencing with the first Rental Payment date occurring more than ten days after Lessor notifies Lessee of the required additional rent.

(f) Notwithstanding the provisions of paragraph (d) of this Section 15, Lessee shall not be required to make any payment on account of any Loss of the ITC due solely to (i) the failure of Lessor to have any federal income tax liability against which to apply the ITC or the inability of Lessor to utilize the ITC as a result of the limitation imposed by Section 46(a)(2) of the Code, (ii) the failure to properly claim the ITC in the tax returns filed by Lessor, or (iii) the sale or disposition of the Equipment, any Unit or this Agreement by Lessor prior to any Default by Lessee.

(g) Notwithstanding the provisions of paragraph (e) of this Section 15, Lessee shall not be required to make any payment on account of any Loss of the Depreciation Deductions due solely to (i) the failure to properly claim the Depreciation Deductions in the tax returns filed by Lessor or (ii) the sale or disposition of the Equipment, any Unit or this Agreement by Lessor prior to any Default by Lessee.

(h) In the event the Internal Revenue Service or any state or local taxing authority proposes adjustments to the ITC or Depreciation Deductions which, if successful, could result in a Loss for which Lessee would be required to indemnify Lessor pursuant to this Section 15, Lessor hereby agrees to notify Lessee promptly of such proposed adjustment, to withhold payment of the tax claimed to be due for a period of 30 days after giving such notice, and to exercise in good faith its best efforts (determined by Lessor in Lessor's sole discretion to be reasonable, proper and consistent with the overall tax interests of Lessor and its affiliated companies and not requiring administrative or judicial proceedings beyond the level of an Internal Revenue Service examining agent) to avoid requiring Lessee to pay such indemnity, provided that Lessee shall have agreed to indemnify Lessor in a manner satisfactory to Lessor for any liability or loss which Lessor may incur as a result of contesting such adjustments and shall have agreed to pay Lessor on demand all costs and expenses which Lessor may incur in connection with contesting such adjustments including without limitation reasonable attorneys', accountants', engineers' and like professional fees and disbursements.

(i) In the event that Lessor shall elect to contest the adjustment by paying the tax claimed and then seeking a refund thereof, Lessee shall pay to Lessor interest at the rate of 12% per annum on the amount of such tax computed from the date of payment of such tax to the date of final determination of such adjustment, such interest to be payable in equal installments within each calendar year on each Rental Payment Date. Upon receipt by Lessor of a refund of any federal income tax paid by it in respect of which Lessee has paid interest as set forth above while such tax payment was contested by Lessor, any interest on such refund paid to Lessor by the United States Government shall be paid to Lessee forthwith upon receipt by Lessor.

(j) Reference in this Section 15 to Lessor shall include any affiliated group of which Lessor is a member for purposes of filing consolidated tax returns, provided that only Lessor shall be obligated with respect to the covenants and duties imposed herein on Lessor.

(k) This Section 15 shall become and be effective and in full force and effect from the date of this Agreement (even though no Equipment may have been accepted by Lessee and even though the term may not have commenced) and shall remain in effect notwithstanding the expiration or other termination of the term insofar as it relates to an event or state of facts which occurred or existed or which is alleged to have occurred or existed prior to such expiration or termination.

16. QUIET POSSESSION

Lessor covenants that it is or will be the lawful owner of the Units leased hereunder and that, conditioned upon Lessee's performing the covenants, conditions and agreements hereof, Lessee shall peaceably and quietly hold, possess and use such Units during the term of this Agreement. In the event that Lessor shall default in the payment of either principal of or interest on any indebtedness secured by any mortgage or mortgages which constitute a first mortgage on any such Unit, Lessee shall have the right to pay the amount so in default, and the amount so paid by Lessee shall, at its option, be credited against rentals due or thereafter becoming due.

17. FURTHER ASSURANCES

Lessee will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out more effectively the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

18. RENEGOTIATION ACT

Lessee represents and warrants that each Unit will not be used in connection with the performance of any prime government contract, or subcontract or purchase order thereunder, with respect to which the provisions of the Renegotiation Act of 1951, as amended (the "Act"), are applicable, unless the Lessee shall give notice of such use to the Lessor within thirty (30) days after the commencement of such use or at the date of the commencement of this lease, whichever shall first occur. If the Unit is used in connection with the performance of any prime government contract or subcontract or purchase order thereunder, with respect to which the provisions of the Act are applicable, Lessee hereby agrees to furnish to Lessor, on or before March 1 of each year, all information required to ascertain and determine the extent to which the Unit was used, and the percentage of the total use of the Unit, as between renegotiable and nonrenegotiable contracts, during the preceding calendar year. To the extent that the Unit is used in connection with the performance of any prime government contract, or subcontract or purchase order thereunder, with respect to which the provisions of the Act are applicable, then, if the profits derived by Lessor from the portion of the rent payable hereunder allocable to the use of the Unit on renegotiable contracts shall be determined to be excessive, pursuant to the provisions of the Act, the rent payable hereunder allocable to the use of the Unit on non-renegotiable contracts shall be increased by an amount equal to the amount of any excessive profits required to be withheld from Lessor or required to be repaid by Lessor based on the portion of the rent allocable to the use of the Unit on renegotiable contracts. The rent payable hereunder shall be allocable to renegotiable and non-renegotiable contracts based on the respective percentages of use of the Unit on renegotiable and non-renegotiable contracts.

19. MISCELLANEOUS

Nothing herein contained shall give or convey to Lessee any right, title or interest in and to any Unit leased hereunder except as a lessee. The obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from complying therewith because of labor disturbances (including strikes and lockouts), war, Acts of God, fires, storms, accidents, governmental regulations or interference or any cause whatever beyond its control. Subject to the provisions of Section 11 hereof, no obligation of Lessor hereunder shall survive the term of the lease of any Unit or sooner termination of this Agreement, and should Lessor permit the use of any Unit beyond the term specified therefor the obligations of Lessee hereunder shall continue and such permissive use shall not be construed as a renewal of the term hereof nor as a waiver of any right or continuation

of any obligation of Lessor hereunder, and Lessor may take possession of any such Unit at any time upon demand after thirty (30) days' notice. Any cancellation or termination by Lessor, pursuant to the provisions of this Agreement, any Schedule, supplement or amendment hereto or the lease of any Unit hereunder, shall not release Lessee from any then outstanding obligations to Lessor hereunder. This instrument, the Schedule(s) and the Acceptance Supplement(s) constitute the entire agreement between the parties and there are no warranties (in respect of the Units or otherwise) or restrictions, express or implied, or collateral or contemporaneous agreements that affect its import other than such as are contained herein. This Agreement, the Schedule(s) and the Acceptance Supplement(s) may be modified, amended or mutually rescinded only by a written instrument executed by each of the parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, subject to Section 7.1 hereof. Time is of the essence of this Agreement. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

20. NOTICES

Any notices required or permitted under this Lease, or by-law in respect of this Lease, shall be in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class, postage prepaid, or when sent by prepaid telegraph addressed to the party required to receive the same at the address set forth below such party's signature hereto, or to such other address as such party shall specify by like notice.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on the date first above written but as of the day of the commencement of the term of this Lease.

MELLON NATIONAL LEASING COMPANY

Lessor

By _____

Title _____

Address: 3629 Mellon Bank Building
Pittsburgh, Pennsylvania 15219

(Corporate Seal)

INTERPOOL LIMITED Lessee

Attest:

By R. Adam

Title V. P. Lunn

Address: 630 Third Avenue, 25th Floor
New York, New York 10017

EXHIBIT A

MELLON NATIONAL LEASING COMPANY

Acceptance Supplement No.

Dated this 6th day of November, 1978

To Lease Between MELLON NATIONAL LEASING COMPANY
and INTERPOOL LIMITED

This Acceptance Supplement is executed pursuant to the Equipment Lease Agreement dated as of October 31, 1978 between MELLON NATIONAL LEASING COMPANY and INTERPOOL LIMITED.

The terms used herein shall have the meaning given to such terms in such Agreement.

Lessor and Lessee do hereby confirm that the Units described in the Schedule No. _____ have been delivered as of the above date and that the Lease with respect to such Units shall commence as of such date.

Lessee confirms that such Units have been examined by duly appointed and authorized representatives of Lessee.

Lessee will immediately arrange to affix to each Unit two decals as outlined in Section 6.5 bearing the following legend:

PROPERTY OF AND LEASED FROM
MELLON NATIONAL LEASING COMPANY
SUBJECT TO AN AGREEMENT FILED
UNDER THE INTERSTATE COMMERCE ACT,
SECTION 20 (c).

Lessee confirms that on the aforesaid date of delivery (i) such Units were duly accepted by Lessee as the Units for leasing under such Agreement, (ii) such Units became subject to and governed by the terms of such Agreement and Schedule and (iii) Lessee became obligated to pay to Lessor the rentals provided for in such Agreement and Schedule with respect to such Units.

APPROVED AND AGREED TO this _____ day of _____, 1978 as a supplement to and a part of the Equipment Lease Agreement dated as of the _____ day of _____, 1978.

MELLON NATIONAL LEASING COMPANY ,
Lessor

By _____

Title:

INTERPOOL LIMITED Lessee

By _____

Title:

LEASE SCHEDULE
to
EQUIPMENT LEASE AGREEMENT
dated as of _____, 1978 between
MELLON NATIONAL LEASING COMPANY, Lessor
and INTERPOOL LTD, Lessee

- 1. Description of Equipment: Ten center flow, 100 ton, covered railroad hopper cars.
- 2. Location of Equipment: Continental United States.
- 3. Final Delivery Date: December 31, 1978.
- 4. Term:
 - a. Interim Term: From the date as of which the parties execute and deliver an Acceptance Supplement with respect to a Unit until the commencement of the Base Term.
 - b. Base Term: A period of 180 months beginning on the date as of which the parties execute and deliver an Acceptance Supplement with respect to the final Unit or on the Final Acceptance Date, whichever is earlier.
- 5. Lessor's Cost: Not to exceed \$ _____ per Unit or \$ _____ in the aggregate.

- 6. Rent:
 - a. Interim Rent: On the Interim Rental Payment Date, Lessee shall pay to Lessor by wire transfer Interim Rent with respect to each Unit determined as follows:

$$C \times \frac{1.2 \times P}{360} \times D$$

As used in this formula, "C" means the Lessor's Cost of the Unit; "D" means the number of days in the Interim Term of the Unit, and "P" means the average during the Interim Term of the prime rate of interest per annum (expressed as a decimal) announced from time to time by Mellon Bank, N.A. at its principal office in Pittsburgh, Pennsylvania for new 90-day loans to commercial borrowers of substantial size and high credit standing.

- b. Basic Rent: On the first Basic Rental Payment Date and on each of the 179 succeeding Basic Rental Payment Dates Lessee shall pay to Lessor by wire transfer Basic Rent equal to 0.835778% of the Lessor's Cost of the Unit. Each installment of Basic Rent shall be for the month immediately preceding the Basic Rental Payment date on which such installment is due.

7. Rental Payment Dates:

a. Interim Rental Payment Date: The first day of the Base Term.

b. Basic Rental Payment Dates: The thirtieth day of the Base Term and the same calendar day of each succeeding month during the Base Term (or in case there is no such day in a month, on the last day of such month).

8. Stipulated Loss Value: Amount to be paid pursuant to Section 10 of the Equipment Lease Agreement for leased equipment lost, stolen, destroyed or damaged beyond repair during each year of the term: See Attachment A.

APPROVED AND AGREED TO as of the 31st day of October, 1978 as the Lease Schedule to and forming a part of the above-mentioned Equipment Lease Agreement.

MELLON NATIONAL LEASING COMPANY
Lessor

By _____

Title _____

INTERPOOL LIMITED
Lessee

By _____

Title _____

MELLON NATIONAL LEASING COMPANY

ATTACHMENT A

"STIPULATED LOSS VALUES" OF ANY UNIT OF THE EQUIPMENT AS OF ANY PARTICULAR DATE SHALL MEAN THE PRODUCT DERIVED FROM MULTIPLYING (1) THE PERCENTAGE FIGURE OPPOSITE THE NOTATION FOR THE APPROPRIATE TIME PERIOD AS SET FORTH IN THE TABLE BELOW BY (2) THE PURCHASE PRICE OF SUCH UNIT.

STIPULATED LOSS VALUES TABLE

BEFORE RENTAL PAYMENT	12	OF	PRIMARY	TERM	% OF PRICE
"	24	"	"	"	102.1401
"	36	"	"	"	103.4433
"	48	"	"	"	103.9096
"	60	"	"	"	97.5004
"	72	"	"	"	97.0602
"	84	"	"	"	89.3728
"	96	"	"	"	87.2588
"	108	"	"	"	77.8978
"	120	"	"	"	74.1101
"	132	"	"	"	69.4855
"	144	"	"	"	64.0241
"	156	"	"	"	57.7259
"	168	"	"	"	50.5907
"	180	"	"	"	42.6188
EXPIRATION AND THEREAFTER					33.8099
					25.0000

EXHIBIT A

MELLON NATIONAL LEASING COMPANY

Acceptance Supplement No. 78-310

Dated this 6th day of November, 1978

To Lease Between MELLON NATIONAL LEASING COMPANY
and INTERPOOL LIMITED

This Acceptance Supplement is executed pursuant to the Equipment Lease Agreement dated as of October 31, 1978 between MELLON NATIONAL LEASING COMPANY and INTERPOOL LIMITED.

The terms used herein shall have the meaning given to such terms in such Agreement.

Lessor and Lessee do hereby confirm that the Units described in the Schedule No. 78-310 have been delivered as of the above date and that the Lease with respect to such Units shall commence as of such date.

Lessee confirms that such Units have been examined by duly appointed and authorized representatives of Lessee.

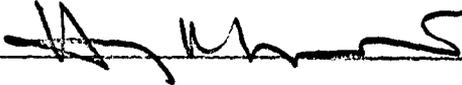
Lessee will immediately arrange to affix to each Unit two decals as outlined in Section 6.5 bearing the following legend:

PROPERTY OF AND LEASED FROM
MELLON NATIONAL LEASING COMPANY
SUBJECT TO AN AGREEMENT FILED
UNDER THE INTERSTATE COMMERCE ACT,
SECTION 20 (c).

Lessee confirms that on the aforesaid date of delivery (i) such Units were duly accepted by Lessee as the Units for leasing under such Agreement, (ii) such Units became subject to and governed by the terms of such Agreement and Schedule and (iii) Lessee became obligated to pay to Lessor the rentals provided for in such Agreement and Schedule with respect to such Units.

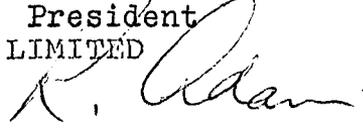
APPROVED AND AGREED TO this 6th day of Novmeber , 1978 as a supplement to and a part of the Equipment Lease Agreement dated as of the 31st day of October , 1978 .

MELLON NATIONAL LEASING COMPANY
Lessor

BY 

Title: Harry R. Leggett
President

INTERPOOL LIMITED Lessee

BY 

Title: Vice President Finance

LEASE SCHEDULE No. 78-310
to
EQUIPMENT LEASE AGREEMENT
dated as of October 31, 1978 between
MELLON NATIONAL LEASING COMPANY, Lessor
and INTERPOOL LTD, Lessee

1. Description of Equipment: Ten center flow, 100 ton, covered railroad hopper cars.
2. Location of Equipment: Continental United States.
3. Final Delivery Date: December 31, 1978.
4. Term:
 - a. Interim Term: From the date as of which the parties execute and deliver an Acceptance Supplement with respect to a Unit until the commencement of the Base Term.
 - b. Base Term: A period of 180 months beginning on the date as of which the parties execute and deliver an Acceptance Supplement with respect to the final Unit or on the Final Delivery Date, whichever is earlier.
5. Lessor's Cost: Not to exceed \$ 36,000.00 per Unit or \$ 360,000.00 in the aggregate.
6. Rent:
 - a. Interim Rent: On the Interim Rental Payment Date, Lessee shall pay to Lessor by wire transfer Interim Rent with respect to each Unit determined as follows:

$$C \times \frac{1.2 \times P}{360} \times D$$

As used in this formula, "C" means the Lessor's Cost of the Unit; "D" means the number of days in the Interim Term of the Unit, and "P" means the average during the Interim Term of the prime rate of interest per annum (expressed as a decimal) announced from time to time by Mellon Bank, N.A. at its principal office in Pittsburgh, Pennsylvania for new 90-day loans to commercial borrowers of substantial size and high credit standing.

- b. Basic Rent: On the first Basic Rental Payment Date and on each of the 179 succeeding Basic Rental Payment Dates Lessee shall pay to Lessor by wire transfer Basic Rent equal to 0.835778% of the Lessor's Cost of the Unit. Each installment of Basic Rent shall be for the month immediately preceding the Basic Rental Payment date on which

7. Rental Payment Dates:

- a. Interim Rental Payment Date: The first day of the Base Term.
- b. Basic Rental Payment Dates: The thirtieth day of the Base Term and the same calendar day of each succeeding month during the Base Term (or in case there is no such day in a month, on the last day of such month).

8. Stipulated Loss Value: Amount to be paid pursuant to Section 10 of the Equipment Lease Agreement for leased equipment lost, stolen, destroyed or damaged beyond repair during each year of the term: See Attachment A.

APPROVED AND AGREED TO as of the 31st day of October, 1978 as the Lease Schedule to and forming a part of the above-mentioned Equipment Lease Agreement.

MELLON NATIONAL LEASING COMPANY
Lessor

By 
Title President

INTERPOOL LIMITED
Lessee

By 
Title VICE PRESIDENT FINANCE

MELLON NATIONAL LEASING COMPANY

ATTACHMENT A

"STIPULATED LOSS VALUES" OF ANY UNIT OF THE EQUIPMENT AS OF ANY PARTICULAR DATE SHALL MEAN THE PRODUCT DERIVED FROM MULTIPLYING (1) THE PERCENTAGE FIGURE OPPOSITE THE NOTATION FOR THE APPROPRIATE TIME PERIOD AS SET FORTH IN THE TABLE BELOW BY (2) THE PURCHASE PRICE OF SUCH UNIT.

STIPULATED LOSS VALUES TABLE

							% OF PRICE
BEFORE RENTAL PAYMENT	12	OF	PRIMARY	TERM			102.1401
"	"	"	24	"	"	"	103.4433
"	"	"	36	"	"	"	103.9096
"	"	"	48	"	"	"	97.5004
"	"	"	60	"	"	"	97.0602
"	"	"	72	"	"	"	89.3728
"	"	"	84	"	"	"	87.2588
"	"	"	96	"	"	"	77.8978
"	"	"	108	"	"	"	74.1101
"	"	"	120	"	"	"	69.4855
"	"	"	132	"	"	"	64.0241
"	"	"	144	"	"	"	57.7259
"	"	"	156	"	"	"	50.5907
"	"	"	168	"	"	"	42.6188
"	"	"	180	"	"	"	33.8099
EXPIRATION AND THEREAFTER							25.0000

SCHEDULE 1

<u>No. of Units</u>	<u>Type</u>	<u>Manufacturer</u>	<u>Unit Nos.</u>	<u>Unit Cost</u>	<u>Total</u>
10	Hopper Cars	ACF Industries	HCRC 150-159	\$35,585.24	\$355,852.40

STATE OF Pennsylvania
County of Allegheny ss:

On this 20th day of November, 1978, before me personally appeared Harry R. Leggett, to me personally known, who being by me duly sworn, says that he is the President of Mellon National Leasing Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.



Martha Anne Parry
Notary Public

MARTHA ANNE PARRY, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires June 7, 1982

My commission expires _____.