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INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of September 1, 1965

From

TRAILER TRAIN COMPANY,
Lessor

To

SEA-LAND FREIGHT SERVICE, INC.
Lessee

TWENTY (20) 75' FLAT
CARS

LEASE OF RAILROAD EQUIPMENT dated as of September 1, 1965, from TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called Lessor), to SEA-LAND FREIGHT SERVICE, INC., an Alaskan corporation (hereinafter called Lessee).

WHEREAS, Lessee desires to lease from Lessor twenty (20) 75' Flat Cars, or such other cars as the parties hereto agree to add or substitute (hereinafter referred to, individually, as a "unit" and, collectively, as the "Equipment") at the rentals and for the terms and upon the conditions hereinafter provided, the Equipment to be hereafter more fully described in Schedule A hereto, which Schedule will be attached as soon as possible after execution of this Lease;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Equipment to the Lessee upon the following terms and conditions, namely:

SECTION 1. Delivery and Acceptance of Equipment.

As soon as practicable after execution of this Lease, Lessor will cause each unit to be tendered to the Lessee at Seattle, Washington. Lessee shall on demand reimburse Lessor the cost for movement of each unit accepted by Lessee from the point of shipment by Lessor to the point of delivery at Seattle,

Washington. Upon each such tender, the Lessee will (a) cause an authorized representative of the Lessee to inspect the same, and (b) if such units are found to be in good order and repair and are marked with the legend required by Section 6 hereof, accept delivery of such unit or units and cause an authorized representative to execute and deliver to the Lessor, in such number of counterparts as Lessor may reasonably request, a Certificate of Acceptance substantially in the form attached hereto as Exhibit A, whereupon such units shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. On acceptance of each unit by Lessee, Lessee will assume the responsibility and risk of loss or damage with respect to the unit so accepted. On acceptance of all units of the Equipment, Lessee authorizes Lessor to attach to this Lease a Schedule A containing the Lessor's road number for each unit of the Equipment.

SECTION 2. Warranties. Lessor makes no warranty or representation, either express or implied, as to the fitness, design, or condition of, or as to the quality of the material, equipment or workmanship in, or as to the conformity to the applicable specifications of, the Equipment delivered to and accepted by the Lessee hereunder, or as to any patented features thereof, it being agreed that all such risks as between the Lessor and the Lessee, are to be borne by the Lessee.

Lessor hereby irrevocably appoints and constitutes the Lessee, its agent and attorney-in-fact, for and in its name and behalf, to make and enforce, from time to time, whatever claim or claims the Lessor may have against the Manufacturer under the terms of the Manufacturer's warranties of the Equipment without prejudice, however, to the rights of the Lessor to enforce such warranties in its own name and at the expense of Lessee in the event Lessor may elect to do so.

SECTION 3. Term of Lease. The term of this Lease shall begin on the date of the delivery to and acceptance by, the Lessee hereunder, of the first unit of the Equipment and shall terminate five years after the date of acceptance of the twentieth unit of the Equipment unless sooner terminated pursuant to Section 17 hereof.

SECTION 4. Rental. The Lessee shall pay to the Lessor as rental for each unit of the Equipment \$6.25 for each calendar day or part thereof. Rent shall commence to accrue for each unit on the date of its acceptance by Lessee pursuant to Section 1 hereof. All rent accrued in respect to any unit during the month in which such unit was delivered to Lessee shall be paid to Lessor on or before the fifteenth day of the next succeeding calendar month. All other rent accrued in respect of any unit shall be paid to Lessor on

the first day of the calendar month next succeeding the calendar month for which rent has accrued. The rent shall not abate by reason of any unit of Equipment being out of service for any reason, including without limitation, a defect in material, workmanship, or design, or by reason of such unit being out of service in order to be repaired or maintained or to have modifications made thereto, except as hereinafter provided.

Lessor will bill Lessee for the amount of the rent which accrues during any month. Such bill will be mailed to Lessee not less than fifteen days before such rental is due.

The rental on each unit shall be due and payable to Lessor in cash at the office of the Treasurer of Lessor at 43 Haverford Station Road, Haverford, Pennsylvania, or at such other place as Lessor from time to time may specify to Lessee.

SECTION 5. Taxes. The Lessee shall, during the continuance of this Lease, in addition to the rentals herein provided, promptly pay all taxes, assessments and other governmental charges, including sales or use taxes, levied or assessed upon the Equipment or the interest of the

Lessee therein or any unit thereof, or upon the use or operation of the Equipment or the earnings arising therefrom, and will promptly pay or reimburse the Lessor for all taxes, assessments and other governmental charges, including sales or use taxes, levied or assessed against the Lessor on account of its acquisition or ownership of the Equipment or any unit thereof or on account of the use or operation of the Equipment or on account of the earnings arising therefrom, exclusive, however, of any taxes on the rentals herein provided for (except gross receipts taxes which are in lieu of, or in substitution for, sales or use taxes). In the event any tax reports are required to be made on the basis of individual units of Equipment, the Lessee will either make such reports in such manner as to show Lessor's interest in such units or will notify the Lessor of such requirements and will make such reports in such manner as shall be satisfactory to Lessor. Nothing contained herein, however, shall require or be construed to mean that the Lessee shall be required to pay an income tax, capital levy, succession or transfer tax of the Lessor, or any franchise tax imposed upon any corporate owner of the fee of the Equipment which is the subject of this Lease, or any income, profits or revenue tax assessed or charged upon the rent received by the Lessor under this agreement.

SECTION 6. Numbering and Marking of the Equipment.

At or prior to the time of delivery of each unit of the Equipment by the Lessor to the Lessee, the Lessor shall cause one of Lessor's road numbers to be assigned thereto and placed thereon, which numbers, as hereinbefore provided, will be set forth in Schedule A to be attached hereto. At all times during the continuance of this Lease, the Lessee will cause each unit of Equipment subject to this Lease to bear the road number assigned to it; provided, however, that the Lessor may change the road number borne by any unit of the Equipment, if prior thereto the Lessor shall have filed with the Lessee a statement of the new road number to be substituted therefor and the Lessor shall have filed, deposited, registered and recorded such statement wherever this Lease shall have been filed, deposited, registered or recorded.

On or before delivery to and acceptance by the Lessee of each of the units of Equipment the same shall be marked with the following (or similar legend identifying Manufacturers Hanover Trust Company, or a successor corporation thereto, or such other bank, trust company or lending institution as may be appropriate, as the Agent-owner, secured party or trustee) legend:

MANUFACTURERS HANOVER TRUST COMPANY,
NEW YORK, NEW YORK,
AGENT, OWNER.

If during the continuance of this Lease, any such marking shall at any time be removed, defaced or destroyed on any unit then subject to this Lease, the Lessee at its expense will immediately cause such marking to be restored or replaced. The Lessee will not allow the name of any person, association or corporation to be placed on any of the Equipment as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than the Agent, but the Lessee may letter the Equipment with such names or initials or other insignia as are customarily used by the Lessee on its cars of the same or a similar type for convenience of identification of the right of the Lessee to use and operate the Equipment under this Lease; provided, however, Lessee shall not remove, deface or obliterate the markings on each unit indicating the interest of Lessor in such unit and Lessee will if required by Lessor mark the units in such manner as Lessor may request to show that they are leased from Lessor.

SECTION 7. Use and Location. The Equipment is leased by Lessor to Lessee for use only upon lines of railroad located in the continental United States of America, including Alaska; and Lessee agrees that it will not use or permit the use of any unit except upon the lines of railroad so located.

SECTION 8. Maintenance and Repair. Lessee agrees that it will perform, or cause to be performed, ordinary running repairs on each unit of the Equipment and Lessor agrees to reimburse Lessee, or such other party as may be appropriate, the cost of such repairs at A.A.R. billing prices for the type of work performed. For the purpose of this agreement, ordinary running repairs shall mean all those repairs required to be performed on the Equipment which are not provided for in the programmed maintenance of such unit. Lessee further agrees that it will perform, or cause to be performed, such repairs so as to maintain the Equipment in good condition and repair and to the standards prescribed by Lessor for other equipment of comparable age and type owned by it; and Lessee further agrees that, if Lessee fails to perform such maintenance and repairs in accordance with the aforesaid standards, any part of such maintenance and repairs of the Equipment may from time to time be performed by Lessor. The provisions of this Section 8 shall not impose any liability or expense on Lessor or Lessee which under the Code of Rules Governing the Conditions of, and Repairs to, Freight and Passenger Cars for the Interchange of Traffic, adopted by the Association of American Railroads would be borne by any one other than the Lessor or Lessee.

Lessor shall have the right (but Lessor shall be under no obligation) to inspect the units at any time or place.

Lessee shall not effect or permit any change in the design, construction or specifications of any unit, or any part thereof, without the prior written consent of Lessor.

SECTION 9. Reports. The Lessee covenants and agrees that upon the request of Lessor it will from time to time, but in any event not more often than once every six (6) months, furnish to Lessor a certificate signed by the President, a Vice President, An Assistant Vice President, or Treasurer (or other appropriate officer of Lessee acceptable to Lessor) of the Lessee stating (a) description and number of the Equipment then covered hereby and showing the Equipment then in actual service, (b) description and numbers of all units of the Equipment that may have become worn out, lost, destroyed, or damaged beyond repair since the date of the last preceding statement, (c) description and numbers of all units of the Equipment then undergoing repairs, or then withdrawn from use for such repairs, and stating that in the case of all Equipment repainted or repaired since the date of the last preceding statement, the numbers and markings required by Section 6 hereof have been preserved, or that the same when repainted or repaired have been again numbered and marked as required thereby, and (d) any other information relating to the Equipment or its use reasonably requested by Lessor.

SECTION 10. Insurance. The Lessee will at all times during the term hereof and at the Lessee's own expense keep the Equipment insured under a policy or policies (certificates with respect thereto to be delivered to the Lessor and with loss payable to the Lessor or the Lessee as their interests may appear) in a company or companies approved by the Lessor against loss, damage or destruction thereof due to explosion, collapse of buildings, fire, lightning, wreck, derailment, collision, flood, tornado, cyclone, sabotage, riot or civil commotion in sums equal to the value of the Equipment as hereinafter in Section 11 set forth, subject to a maximum of five hundred dollars (\$500.00) deductible for any one occurrence. Evidence satisfactory to the Lessor that such insurance will be effected and maintained shall be furnished to the Lessor prior to the delivery of the Equipment. Each policy in respect of such insurance shall provide for ten days' prior written notice to the Lessor of the cancellation of any of such insurance, and shall further provide that, as to the interest of the Lessor, such insurance shall not be altered or impaired by any act or omission of any one other than the Lessor. Any moneys paid under any such insurance shall be applied to the amount payable by the Lessee to the Lessor under the provisions of Section 11 hereof upon the loss, destruction or irreparable damage of any of the

Equipment. Any moneys receivable by or payable to the Lessee from any railroad or other person or corporation because of loss or destruction of or irreparable damage to the units shall be paid over to the Lessor to be held and applied by it as aforesaid, unless Lessor shall have been paid for such loss by Lessee's insurance carrier, in which event such moneys, or the claims of Lessor thereto, shall, to the extent permitted by law, be paid or assigned to the insurance carrier. Upon the termination of this Lease and the discharge by the Lessee of all of its obligations under this Lease, the Lessor will without cost to the Lessee assign to the Lessee all its interests in the then unexpired policies of insurance.

In the event the Lessee shall fail to keep any of the units insured as above provided, the Lessor, without impairment of any of its rights and remedies by reason of such default, may, but shall not be required to, obtain appropriate insurance and pay the premium or premiums therefor and in such event the Lessee shall and will upon demand reimburse the Lessor for the amount of the premiums so paid with interest thereon at the rate of 6% per annum from the date of payment.

SECTION 11. Equipment Worn Out, Lost, Destroyed or Damaged Beyond Repair. Whenever any unit of the Equipment shall become worn out prematurely, due to Lessee's negligence or failure to maintain properly, lost, destroyed or damaged beyond repair, Lessee shall within thirty days after the occurrence of such

event notify Lessor thereof. Lessor shall forthwith deliver to Lessee a certificate of a proper officer of the Lessor, stating the value of such unit. Lessee shall, within ten days after receipt of such certificate, pay to Lessor the value of such unit.

The value of any unit of Equipment as used in this Section 11 shall mean the greater of the purchase price of such unit or the cost of acquiring a similar new unit at the time of such wearing out, loss, destruction, damage beyond repair, less in either case depreciation at the rate or rates accrued by Lessor on such unit (which rate or rates shall not be less than $4\frac{1}{2}\%$ per annum) for the period elapsed since the date of delivery and acceptance of such unit by Lessor from the manufacturer or vendor thereof (which information shall be promptly given by Lessor to Lessee) to the date of payment by Lessee to Lessor for such unit; provided, however, that the sum paid by Lessee to Lessor shall in no case be less than the amount which would have been payable in respect of the unit if the unit were paid for as a destroyed car under the terms of the Code of Rules Governing the Conditions of and Repairs to Freight and Passenger Cars for the Interchange of Traffic in effect at the time of the loss of the unit. Rent payable under Section 4 hereof shall cease to accrue in respect of any unit worn out, lost, destroyed or damaged beyond repair

after Lessee has paid to Lessor all sums due in respect of such unit pursuant to this Section 11. Upon payment by Lessee to Lessor of all sums due in respect of a unit pursuant to this Section 11, Lessor shall, at its option (a) transfer title to such unit to Lessee or (b) pay, in cash, to Lessee the salvage value of such unit.

SECTION 12. Lessee's Indemnity. The Lessee agrees to indemnify and save harmless the Lessor (and any vendor or assignee or assignees of any vendor or trustee from whom Lessor may have purchased the Equipment under a conditional sale agreement or leased the Equipment under an equipment trust agreement) from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including counsel fees, in any manner arising out of or as a result of or in connection with the Equipment or its use or operation; provided, however, that the foregoing obligation of Lessee shall not relieve the manufacturer of the Equipment of any obligation which it may have under any warranty to Lessor or Lessee. This covenant of indemnity shall continue in full force and effect with respect to any matter arising under this Section 12 while the Lease is in effect notwithstanding the subsequent termination of this Lease in any manner whatsoever or the complete discharge by the Lessee of its remaining obligations

under this Lease, subject to any defense afforded by any statute of limitations.

SECTION 13. Compliance with Laws and Rules. During the term of this Lease the Lessee will comply in all respects with all laws of the jurisdictions in which the Equipment, or any unit thereof, is operated, and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the operation or use of the Equipment. In the event that such laws or rules require the alteration of the Equipment, Lessee may, at its expense, make such changes therein as may be necessary to cause the units to conform therewith; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, materially adversely affect the units or rights of the Lessor hereunder. If, however, the Lessee does not elect to make the required alteration, Lessee may either (i) request that Lessor, at its expense, cause the alteration to be made, in which case the rental herein set forth may be reset to cover the cost of the alteration, or (ii) terminate the Lease as to the cars needing such alteration, such termination to be effective upon the redelivery of the cars to Lessor at Seattle, Washington, and their acceptance at that point by Lessor. The termination provided for herein shall in no way impair the right of Lessee to add or substitute Equipment provided in the first recital clause of this Lease.

SECTION 14. Title to the Equipment. Except as provided in Section 11 hereof, the Lessee shall not by virtue of this Lease or the possession and use of the Equipment by the Lessee under or pursuant to this Lease or of anything permitted to be done by the Lessee hereunder in respect of the Equipment, acquire title to the Equipment or any unit thereof.

Any and all additions to the Equipment or any unit thereof, and all replacements of the Equipment or any unit thereof, and of parts thereof and additions thereto shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Lease and included in the term "Equipment" as used in this Lease.

SECTION 15. Subordination Agreement. Lessee agrees that this Lease and the rights of Lessee hereunder are and shall be subject and subordinate to all the terms and conditions of any conditional sale agreement, equipment trust agreement or other equipment financing arrangement providing for the purchase, lease or other acquisition by Lessor of the Equipment. This Lease shall also be subject and subordinate to all assignments or transfers of all or any part of the right, title and interest of the manufacturer, vendor, Lessor, trustee or other secured party of the Equipment. Lessee will, if requested by Lessor, execute such instrument or instruments as may from time to time be reasonably requested by Lessor to evidence that this Lease is subject and subordinate as aforesaid.

SECTION 16. Redelivery of Equipment. Upon termination of this Lease with respect to any unit or units of Equip-

ment (including termination pursuant to Section 17 hereof), the Lessee shall forthwith deliver possession of such unit or units to the Lessor at Seattle, Washington in good order and repair, ordinary wear and tear excepted. For the purpose of delivering possession of any unit or units of the Equipment to the Lessor as above required, the Lessee shall at its own cost and expense forthwith assemble such unit or units and cause them to be placed upon such tracks at Seattle, Washington as Lessor may designate. The assembling, delivery, and transporting of such unit or units, as hereinbefore provided, are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver and transport such unit or units. In the event Lessee shall not forthwith redeliver the units to Lessor, Lessor shall have the right to enter upon the premises of Lessee or any other person and take possession thereof.

SECTION 17. Events of Default; Remedies. If, during the continuance of this Lease, one or more of the following events shall occur:

- (a) default shall be made in the payment of any part of the rental provided in Section 4 hereof and such default shall continue unremedied for more

than 10 days after notice thereof shall have been given in writing to the Lessee by the Lessor; 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 unremedied for 30 days after written notice thereof shall have been given by the Lessee to the Lessor; 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, and within 60 days thereafter (or in case, prior to the end of such 60-day period, a temporary or permanent receiver or trustee shall have been appointed in

such proceedings, then within 60 days after the Lessor shall have demanded in writing that such receiver or trustee take action to assume or reject this Lease) the obligations of the Lessee under this Lease shall not have been assumed by the receiver or trustee in such proceedings, pursuant to an order or decree of such court or otherwise, in such manner that they shall have been given a status comparable to that of those obligations incurred by a receiver or a trustee in bankruptcy or insolvency proceedings which cannot later be rejected by a plan of reorganization;

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

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Equipment shall absolutely cease and determine as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee

or other premises where any of the Equipment may be and take possession of all or any of the Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Equipment for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may become due and unpaid, including without limitation sums due for taxes, repairs and maintenance of the Equipment and also including rentals accruing hereunder after the date of default for the use of the Equipment. Lessor shall also have the right to recover forthwith from the Lessee (a) as damages for loss of the bargain and not as a penalty, a sum which represents with respect to the Equipment then subject to this Lease, the excess of the present worth, at the time of such termination, of the rentals for such Equipment which would otherwise have accrued pursuant to Section 4 hereof, from the date of such termination to the end of the term of this Lease as to such Equipment (such present worth to be computed on the basis of a 5.5% per annum discount com-

pounded semi-annually from the respective dates upon which such rentals would have been payable hereunder had this Lease not been terminated) over the aggregate amount of the then present worth computed as aforesaid of the fair rental value of such Equipment for such period; and (b) any other damages or expenses, including reasonable attorney's fees, if any, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental pursuant to Section 4 hereof.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies in Section 17 herein provided, to the extent that such waiver is permitted by law. The Lessee hereby agrees to make all the rental payments due hereunder regardless of any offset or claim which may be asserted by the Lessee or on its behalf in connection with the lease of the Equipment.

The failure of the Lessor to exercise the rights granted them hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

SECTION 18. Assignments by the Lessor. All or any of the rights, benefits and advantages of the Lessor under this Lease may be assigned by the Lessor and re-assigned by any assignee at any time and from time to time, without the consent of Lessee.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Lessors right, title and interest in and to the rights, benefits and advantages of the Lessor thereby assigned, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Lessee of the notification of any such assignment, all payments thereafter to be made by the

Lessee hereunder shall, to the extent so assigned, be made to the assignee.

In the event of any assignment by the Lessor of its rights to receive any payments under this Lease, the rights of such assignee to such payments as may be assigned, together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim, or recoupment whatsoever arising out of any breach by Lessor or any obligation of the Lessor contained in this Lease or arising by reason of any other indebtedness or liability at any time owing to the Lessee by the Lessor. Nothing in this Section 18 shall impair any right of Lessee against Lessor arising out of this Lease.

SECTION 19. Assignments by the Lessee. Lessee will not transfer possession of the Equipment, or any units thereof, to any other firm, person or corporation (except in the ordinary course of Lessee's business) and Lessee will not sell, assign, transfer or otherwise dispose of its rights under this Lease without first obtaining the written consent of the Lessor to such transfer of possession or such sale, assignment or transfer of Lessee's rights under this Lease.

SECTION 20. Recording. Lessor will at the expense of Lessee, upon execution and delivery of this agreement and the attachment hereto of Schedule A, cause the same to be

duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, as amended, and Lessee will from time to time at its expense do and perform any other act and will execute, acknowledge, deliver, file and record any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to the satisfaction of Lessor's counsel, of its interest in the Equipment and its rights under this Lease.

SECTION 21. Rental Abatement. If any unit of the Equipment is out of service for any modification or repair, other than a running repair, and such modification or repair is delayed by the lack of any necessary part or parts at the location where such modification or repair is being performed, the rental due hereunder shall abate for the period beginning when notice of such shortage is received by Lessor, such notice to contain a description of the part not available, the date an order was placed with a supplier of such part, and the expected delivery date of such part. The period of abatement shall end on the date the part is delivered to an originating carrier for shipment to Lessee. Lessor shall have the option to supply the missing part to Lessee, and at Lessee's expense. If Lessor so supplies the missing part to Lessee, the abatement shall cease upon the date the part or parts are shipped to Lessee.

SECTION 22. Payments by Lessee. The payments provided for in this agreement shall be made by the Lessee in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public or private debts.

SECTION 23. Notice. Any notice hereunder to the Lessor shall be deemed to be properly served if delivered or mailed to the Lessor at 1819 John F. Kennedy Boulevard, Philadelphia, Pennsylvania 19103, or at such other address as may have been furnished in writing to the Lessee by the Lessor. Any notice hereunder to Lessee shall be deemed to be properly served if delivered or mailed to Lessee at P.O. Box 1050, Elizabeth, New Jersey 07207, or at such other address as may have been furnished in writing to the Lessor by Lessee.

SECTION 24. Execution of Counterparts. This agreement may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together will constitute but one and the same agreement, which will be sufficiently evidenced by any such original counterpart.

SECTION 25. Section Headings. All section headings are inserted for convenience only and will not affect any construction or interpretation of this agreement.

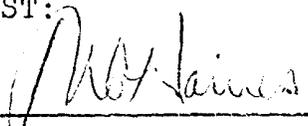
SECTION 26. Prior Agreements. This Lease shall constitute the entire contract between the Lessor and the Lessee, and all prior agreements, contracts, proposals or other documents between Lessor and Lessee with respect to the Equipment shall cease and terminate upon the signing of this agreement and shall no longer have any force or effect whatsoever.

SECTION 27. Modification of Agreement. No variation or modification of this Lease and no waiver of any of its provisions or conditions will be valid unless in writing and signed by the duly authorized officers of the Lessor and the Lessee.

SECTION 28. Laws Governing. This agreement shall be construed to be a contract made under and pursuant to the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, Lessor and Lessee have caused these presents to be signed by their officers and sealed with their seals, duly attested as of the day, month and year first above written.

ATTEST:



SECRETARY

ATTEST:



TRAILER TRAIN COMPANY

BY:



President

SEA-LAND FREIGHT SERVICE, INC.

By:



K. G. Younger, Vice President

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF *Montgomery*) ss.

On this *20th* day of *JANUARY*, 1966,
before me personally appeared *J. P. Newell*,
to me personally known, who, being by me duly sworn, says
that he is *President* of TRAILER TRAIN COMPANY,
that the seal affixed to the foregoing instrument is the cor-
porate 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 execu-
tion of the foregoing instrument was the free act and deed
of said corporation.

Alexander F. Hunter

Notary Public

ALEXANDER F. HUNTER
NOTARY PUBLIC
LOWER MERION TWP.
MONTGOMERY CO., PA.
MY COMMISSION EXPIRES FEB. 10, 1969

STATE OF NEW JERSEY {
 { ss.
COUNTY OF UNION {

On this 25th day of January, 1966,
before me personally appeared Clara L. McLean,
to me personally known, who, being by me duly sworn, says
thatshe is Secretary of SEA-LAND FREIGHT SERVICE,
INC., that the seal affixed to the foregoing instrument is
the corporate seal of the said corporation, that said instru-
ment was signed and sealed on behalf of said corporation by
authority of its Board of Directors, andshe acknowledged that
the execution of the foregoing instrument was the free act
and deed of said corporation.

Theresa H. McGinis

Notary Public
THERESA H. MCGINIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 9, 1970

GUARANTY

The undersigned, a corporation (hereinafter called "Guarantor"), in consideration of the sum of \$10.00 and other valuable considerations, receipt of which is hereby acknowledged, hereby unconditionally guarantees to Trailer Train Company, a Delaware corporation (hereinafter called "Trailer Train"), irrespective of the genuineness, validity, regularity or enforceability of the Lease of Railroad Equipment dated as of September 1, 1965 (hereinafter called the "Lease"), between Trailer Train, as Lessor, and Sea-Land Freight Service, Inc. (hereinafter called "Lessee"), a wholly owned subsidiary of Guarantor, and irrespective of any other circumstance, (i) that all obligations of the Lessee for the payment of money at any time existing under said Lease will be promptly paid in full when due in accordance with the provisions thereof, at maturity, on prepayment, acceleration or otherwise, and that in case of default by Lessee in any such payment the undersigned agrees punctually to pay the same, on demand, and (ii) that all other duties of Lessee under the Lease will be performed when required by the Lease. The undersigned agrees that its obligations hereunder are absolute and unconditional regardless of any circumstance which might otherwise constitute a legal or

equitable discharge of a surety or guarantor and hereby
waives diligence, demand and all notices.

Dated: *January 25*, 196⁶

McLEAN INDUSTRIES, INC.

By: *Clara L. McLean*
Clara L. McLean
Vice President