

10259
RECORDATION NO. Filed 1425

APR 6 1979 - 10 05 AM

INTERSTATE COMMERCE COMMISSION April 6, 1979

9-095A-223

APR 06 1979

Secretary
Interstate Commerce Commission
Washington, D.C.

10259
RECORDATION NO. Filed 1425

APR 6 1979 - 10 05 AM

INTERSTATE COMMERCE COMMISSION

Date _____

Fee \$ 100.00

CC Washb...

Dear Sir:

Enclosed for recordation pursuant to the provisions of Section 11303(a) of Title 49 of the United States Code and the rules and regulations thereunder are one counterpart each of a Limited Recourse Promissory Note-Security Agreement dated March 29, 1979 and an Agreement of Lease dated March 29, 1979.

A general description of the railroad equipment covered by the enclosed documents is contained in the attached Schedule.

The names and addresses of the parties to the enclosed documents are:

A. Limited Recourse Promissory Note-Security Agreement:

PAYOR or DEBTOR F S Railcars, Inc.
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

PAYEE or SECURED PARTY Auto-Train Corporation
1801 K Street, N.W.
Washington, D.C.

B. Agreement of Lease:

LESSOR: F S Railcars, Inc.
1000 RIDC Plaza
Pittsburgh, Pennsylvania 15238

LESSEE: Auto-Train Corporation
1801 K Street, N.W.
Washington, D.C.

C. J. Kowalski
[Signature]

RECEIVED
APR 10 1979
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

Secretary
Interstate Commerce Commission
April 6, 1979
Page Two

The undersigned is agent for the Payor/Lessor mentioned in the enclosed documents for the purpose of submitting the enclosed documents for recordation and has knowledge of the matters set forth therein.

Also enclosed is a remittance in the amount of \$100 in payment of recordation fees.

Very truly yours,

ALVORD AND ALVORD
as Agent for F S Railcars, Inc.

By Charles T. Kappler
Charles T. Kappler

SCHEDULE

<u>Description</u>	<u># of Units</u>	<u>Identification Numbers</u>
Half Dome Coach	7	904, 905, 907, 911-913, 909
Half Dome Diners	3	801, 802, 805
Kitchen Dormitory	1	593
Sleeper	2	AM2241, AM2803
Sleeper	2	250, 252
- Caboose	1	93
Single Level Auto Carrier	1	194
Low Level Coach	1	582
- Locomotive "B" Units	2	1139, 1140
Half Dome Diner	1	800
Crew Sleepers	2	630, 631
- Caboose	2	91, 92
- Yard Locomotives	4	622-625
Single Level Carrier*	6	190-193, 195-196
Auto Carrier/Caboose*	3	3, 6, 12
Full Dome Coaches*	13	510-515, 520-521, 523- 524, 522, 540, 541
Half Dome Coaches*	2	460, 470
Half Dome Coaches*	10	700-709
Half Dome Coach*	1	902
Half Dome Diners*	5	804, 806, 807, 803, 808
Diner*	4	590, 592, 594, 598
Diner*	1	570
Diner*	1	580
Kitchen Dormitories*	4	591, 595, 597, 599
Sleepers*	6	201-206
Sleepers*	2	304, 305
Steam Generators*	6	1130, 1132, 1134, 1136- 1138
Bi-Levels*	7	4, 17, 21, 22, 23, 25, 26
Tri-Levels*	20	101-120
Tri-Level Prototype*	1	100

* Subject to a first Lien of Commercial Credit Industrial Corp. and a second Lien of Riggs National Bank.

The rights of the parties hereto are subject to the conditions referred to in letters of consent issued by Commercial Credit Industrial Corp., 300 St. Paul Place, Baltimore, Maryland 21202, and Riggs National Bank of Washington, D.C. dated March 29, 1979 and to the Liens.

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AGREEMENT OF LEASE

RECORDATION NO. 10259-A Filed 1423

APR 6 1979-10 25 AM

INTERSTATE COMMERCE COMMISSION

AGREEMENT OF LEASE, dated March 29, 1979, by and between AUTO-TRAIN CORPORATION, a Florida corporation having its principal office and place of business at 1801 K Street, N.W., Washington, D.C. ("Lessee"), and FS RAILCARS, INC., a Delaware corporation having its principal office and place of business at 1000 RIDC Plaza, Pittsburgh, Pennsylvania 15238 ("Lessor").

IN CONSIDERATION of the mutual agreements hereinafter set forth and the payment of rent as herein provided for, the parties hereto, desiring legally to be bound, hereby agree as follows:

1. Definitions.

1.1 "Equipment" means the railroad rolling stock described in the Schedule annexed hereto.

1.2 "Fixed Rent" means the Rent payable by Lessee to Lessor pursuant to Section 5.1 hereof.

1.3 "Additional Rent" means the Rent payable by Lessee to Lessor pursuant to Section 5.2 hereof.

1.4 "Rent" means and includes Fixed Rent and Additional Rent.

1.5 "Lease Term" means the term of this Lease as provided for in Section 3 hereof.

1.6 "Purchase Agreement" means that certain purchase agreement of even date herewith between Lessee as Seller and Lessor as Buyer. Unless otherwise expressly defined herein, each term defined in the Purchase Agreement shall have the same meaning herein as therein.

2. Property Leased. Lessor, in consideration of the Rent to be paid by Lessee and the covenants and agreements of Lessee hereinafter set forth, hereby demises and lets to Lessee all of the Equipment. Each item of Equipment is leased hereunder, in "AS IS" condition, "WHERE IS" and subject to the leases, liens, security interests and encumbrances that exist at the time of the execution and delivery hereof, and all that may hereafter be placed or are permitted to be placed on the Equipment by Lessee as provided in the Purchase Agreement.

3. Term. The term of lease for the Equipment shall be a fixed term commencing on the date hereof and extending through and including March 31, 1994; provided, however, that such term may be shortened pursuant to termination provisions contained elsewhere in this Lease.

4. Delivery and Redelivery. Promptly upon expiration or termination of the Lease Term for any reason, Lessee, at its expense, shall deliver or cause the delivery of each item of Equipment to Lessor in the same operating order, repair and condition as on the date hereof (reasonable wear and tear excepted) at such places in the Continental United States and at such times as Lessor shall designate in writing.

5. Rent.

5.1 Fixed Rent. Lessee shall pay to Lessor as Fixed Rent for the Equipment during the Lease Term the amounts referred to in Schedule A attached hereto at the times provided therein.

5.2 Additional Rent. If there shall occur an Event of Default (as hereinafter defined) (whether by reason of any failure by Lessee to perform any obligation directly to Lessor under this Lease [as for example, the

failure to pay taxes] or otherwise [as for example a failure to pay an insurance premium]) and Lessee fails to cure such default within any applicable grace period (whether herein or otherwise) after notice as provided for herein or otherwise, Lessor shall have the right, upon notice to Lessee, to cure such default or breach, and the amount of all reasonable expenses incurred by Lessor in connection therewith, after written notice to Lessee, shall be added to and be paid with the installment of Fixed Rent next payable under this Lease following the giving of such notice or, at Lessor's option by written notice to Lessee, such amount shall be immediately due and payable. Interest on any amounts of Additional Rent due to be paid hereunder, but unpaid, shall accrue at the rate of 1% per month (or if that rate exceeds the maximum rate allowed by law, then such maximum rate) and shall be payable on demand.

5.3 Taxes and Fees. In addition to the Rent, Lessee shall pay or cause to be paid to the appropriate governmental authorities all property, ad valorem or other taxes, imposts, levies, duties, assessments, licenses, tolls, inspection or other fees, however designated, paid, payable or required to be collected by Lessor, Lessee, any end user of the Equipment or any other person, which are levied or based upon the rental provided for in this Lease, upon this Lease, upon the Equipment or the use, delivery, return, lease, operation, control or value thereof or upon or with respect to any substitution as hereinafter provided for, including without limitation, state and local privilege and excise taxes based on gross revenues, any penalties or interest in connection therewith or amounts in lieu thereof, paid or payable by Lessor, Lessee or any other person, with respect to the foregoing, but excluding all sales, use or similar taxes and interest or penalties thereon (other than any such taxes as may arise out of any sub-lease or any assignment by Lessee or any such taxes presently being paid or required to be paid by Lessee) and excluding taxes (including gross receipts taxes in the nature of an income tax) based on or measured by Lessor's net income which sales, use or similar taxes and interest and penalties thereon shall be paid by Lessor or, if paid by Lessee, reimbursed by Lessor; provided, however, that Lessee may in good faith (at its expense) contest in any reasonable manner the imposition of any such taxes, licenses, tolls,

inspection or other fees, but only to the extent that such contest does not adversely affect, or threaten to affect, the title of Lessor in the Equipment or impose any criminal or civil liability on Lessor. Lessee agrees timely to file or cause to be timely filed, on behalf of Lessor, or otherwise, all such required tax and other returns and reports (after such reports have been reasonably approved by Lessor as hereinafter provided) concerning the Equipment and the taxes required to be paid by Lessee hereunder with all appropriate governmental agencies and to send Lessor copies of the same upon request. Lessee shall not file any such returns or reports which have not been approved in advance by Lessor, unless such approval is unreasonably withheld or delayed, and Lessor shall have the right and opportunity to contest the imposition of any sales, use or similar tax to be paid or reimbursed by Lessor.

5.4 Manner of Payment. All Fixed Rent, Additional Rent and other sums payable hereunder are expressed and shall be payable to Lessor in lawful money of the United States at its address set forth at the head of this Lease, or at such other place as Lessor shall designate in writing.

5.5 Net Lease. This lease is a net lease and it is specifically agreed that, as between Lessor and Lessee, Lessee shall be responsible for all costs and expenses of any nature whatsoever arising out of or related to or in connection with this Lease or the Equipment.

6. Maintenance and Risk of Loss.

6.1 Maintenance. During the Lease Term, Lessee, at its sole cost and expense, shall keep or cause to be kept each item of Equipment in such working order, repair and condition as a reasonably prudent company would keep similar equipment it owned and operated for similar purposes, make all necessary adjustments, repairs and replacements thereto and pay all costs, expenses, fees and charges incurred in connection therewith and with the use, possession and operation thereof, including, without limitation, repairs, maintenance, storage and servicing.

6.2 Risk of Loss. Until the Equipment is redelivered to Lessor, as provided for in this Lease, Lessee relieves Lessor of responsibility for (and Lessee shall be solely responsible for) all risk of physical damage to, or loss or destruction of, the Equipment, howsoever caused. During the Lease Term, Lessee shall, at its own cost and expense, keep each item of Equipment insured at not less than full replacement cost, less a deductible amount which, commencing no later than April 15, 1979, shall not exceed \$500,000 in the aggregate per occurrence, against loss by fire, windstorm, collision and explosion and with extended "all risk" coverage against such other risks as are customarily insured against by reasonably prudent companies owning and operating property of a character similar to the Equipment for similar purposes. All insurance shall name Lessor and any other person whom Lessor notifies Lessee has an interest in the Equipment as an additional insured and shall provide that copies of all notices shall be sent to Lessor and that such insurance shall not be cancelled without giving thirty (30) days' prior written notice to Lessor. Lessee shall furnish current certificates of such insurance to Lessor throughout the Lease Term which certificates shall name Lessor and such other persons as additional insureds as aforesaid. In addition, Lessee shall furnish comprehensive general liability insurance in an amount of not less than \$15,000,000, naming Lessor and such persons as additional insureds. Such comprehensive general liability insurance may provide for a deductible amount of not more than \$500,000 per occurrence on personal injury claims (and not per person). In the event Lessor pays insurance premiums, an amount equal to such payment shall become immediately due and payable as Additional Rent hereunder.

If any item of Equipment is rendered unusable as a result of any physical damage to, or destruction of, the Equipment, Lessee shall give to Lessor immediate notice thereof, but this Lease shall continue in full force and effect without any abatement of rental. Lessee shall determine, within forty-five (45) days after the date of occurrence of such damage or destruction, whether such item of Equipment can be repaired. In the event Lessee determines that the item of Equipment cannot be repaired, Lessee at its expense shall promptly replace such items of Equipment in a manner that meets the requirements of Section 13 hereof (and convey title to such replacement equipment to Lessor free and

clear of all liens and encumbrances other than the Liens), and this Lease shall continue in full force and effect as though such damage or destruction had not occurred. In the event Lessee determines that such item of Equipment can be repaired, Lessee shall cause such item of Equipment to be repaired at such times and in such manner as would reasonably prudent companies owning and operating similar equipment for similar purposes. (The foregoing shall not be deemed to impair or diminish Lessee's obligations under Section 4 hereof.) Provided Lessee complies with its obligations under this Section, all proceeds of insurance received by Lessor or Lessee under the policies referred to above shall be paid to or retained by Lessee; provided, however, that in the event that insurance proceeds retained by Lessee exceed the cost of replacement equipment such difference shall promptly be paid to Lessor. Lessor hereby agrees to execute and deliver any instruments or documents requested in order to accomplish the foregoing.

7. Lessee to Hold Harmless. Lessee shall indemnify Lessor from and protect, defend and hold it harmless against any loss, cost, damage or expense (including, without limitation, reasonable attorneys' fees) by reason of any claim which is in any manner connected with the delivery, warehousing, transportation, use, condition, operation, possession, control or removal of Equipment during the Lease Term, howsoever arising and whether or not alleged to be attributed to any default or defect in the Equipment. Lessor shall give Lessee notice of any claim or liability in respect of which indemnification is provided for hereunder promptly after Lessor learns thereof, and Lessee shall be entitled to control the defense or settlement thereof. Notwithstanding the foregoing, Lessee shall not be required to indemnify Lessor for any loss, cost, damage or expense (including reasonable attorneys' fees) arising out of or as a result of Lessor's misconduct or gross negligence.

8. Protection of Title. Lessee agrees that title to all Equipment shall remain in Lessor and that Lessee will at all times (except as otherwise specifically permitted hereunder or in connection with the Liens) (a) protect and defend, at its own cost, the title and interest of Lessor in and to the Equipment from and against any and all claims, liens, charges, encumbrances and legal processes of Lessee's creditors or other persons having claims against

Lessee or the Equipment (except claims, liens, charges, encumbrances and legal processes of Lessor's creditors or other persons having claims against Lessor and not also against the Lessee), including, without limitation, persons to whom Lessee may sublease the Equipment and their creditors, (b) keep each item of Equipment free and clear of any such claims, liens, charges, encumbrances and processes (except as permitted under the Documents) and (c) confirm and warrant the title of Lessor to the Equipment and the interest of Lessor by such instruments of further assurance as it shall reasonably be requested to execute. Lessee further agrees that by the execution of this Lease it does not have or obtain, and by payment and performance hereunder it does not and will not have or obtain, any title to the Equipment, nor any property right or interest, legal or equitable, therein, except as expressly set forth in this Lease.

9. Use of the Equipment. Lessee shall use its best efforts to cause each item of the Equipment at all times during the Lease Term to be used and operated under and in compliance with all applicable laws, orders, ordinances and regulations of the jurisdictions in which such item may be operated, including the Interchange Rules of the Association of American Railroads and the rules and regulations of the Interstate Commerce Commission; provided, however, that Lessee may in good faith contest (at its expense) in any reasonable manner the application of any such rule, regulation or order, but only to the extent that such contest or non-compliance during the pendency thereof does not adversely affect or threaten to affect the title of Lessor to any item of Equipment or impose any civil or criminal liability upon Lessor.

10. Right of Examination; Reports. Lessee agrees that it will at all times during the Lease Term, upon receipt of reasonable notice from Lessor, permit Lessor or its agents and representatives to make such examination during normal business hours of the Equipment and Lessee's books relating thereto as Lessor may reasonably request. Lessee shall at all times keep Lessor advised of the location of the Equipment, any loss or damage to the Equipment or any other material matters concerning the Equipment of which Lessee, from time to time, shall have knowledge. Lessee shall furnish Lessor with such

information (and copies of relevant documents) concerning the Equipment and its use, the Liens, Fixed Rent and Additional Rent, as Lessor may, from time to time, reasonably request.

11. Sublease of Equipment. Lessee shall have the right during the Lease Term to sublease the Equipment to, or otherwise permit the control and use of the Equipment by, any party; provided, however, that in each such case Lessee shall obtain the prior written consent of Lessor which consent shall not be unreasonably withheld. (Any such sublease or other control or use of the Equipment is herein referred to as an "Underlying Lease" and the sublessee or other user thereunder as an "Underlying Lessee.") Any such Underlying Lease shall be for a term which shall not exceed the Lease Term and shall also automatically terminate, unless Lessor shall otherwise elect, upon any termination of this Lease. Each such Underlying Lessee shall agree to comply with the provisions of this Lease.

12. Location of Equipment. Lessee, at its expense, upon prior notice to Lessor, may move any and all items of the Equipment to such locations in the continental United States as it deems fit; provided, however, that all items of the Equipment (except those items of Equipment being subleased to others as permitted hereby or not in use and stored in public or private warehouses) shall at all times be operated or located at premises owned, lease or used in the ordinary course of its business by Lessee.

13. Replacement of Equipment. In the event Lessee is required to replace any item of Equipment pursuant to Section 6.2 of this Lease (as in the case of destruction of the Equipment), Lessee shall replace such item with any item or items of tangible personal property ("Replacement Equipment") (a) which perform substantially the same function as the item or items which are being replaced or are otherwise reasonably satisfactory to Lessor, (b) having a fair market value at the time of such replacement and a residual fair market value equal to the fair market value and residual fair market value of the Equipment or item or items thereof ("Replaced Equipment") for which replacement is made immediately prior to the event giving rise to Lessor's obligation to replace such item or items, (c) being sufficiently similar to such Replaced Equipment or item or items thereof so as to be of "like kind" with-

in the meaning of Section 1031 (or "similar or related" within the meaning of Section 1033, whichever is applicable) of the Internal Revenue Code of 1954, as amended and (d) having an "Asset Guideline Period" (as defined in Treasury Regulations Section 1.167(a)-(11)) equal to the Asset Guideline Period of such Replaced Equipment or item or items thereof. Without limiting the generality of the foregoing, any item or items of Replacement Equipment may be subject to the Liens including any refinancing thereof permitted under the Purchase Agreement hereof; provided, that in all events, such replacement (a) shall not impose upon Lessor any obligation greater than is imposed upon Lessor (as owner of the Equipment) under this Lease, (b) shall be in compliance with, as to any sublease, the requirements of Section 11 hereof as to permitted subleases and (c) shall not result in any material increase in Lessor's tax burden over that which would have prevailed absent the loss, damage or destruction followed by the replacement provided for herein.

Lessee shall give Lessor at least fifteen (15) days prior notice of the replacement of Equipment hereunder, which notice shall include (x) a description and a written appraisal of the fair market value and residual value of the item or items of Replaced Equipment and the proposed Replacement Equipment, (y) copies of any and all leases, security agreements and other documents relating to security interests, liens, leases or encumbrances imposed or to be imposed, as permitted hereunder, on the item or items of proposed Replacement Equipment and (z) a statement of the amounts secured by security interests, liens and encumbrances on the item or items to be replaced and on the proposed Replacement Equipment.

Effective upon such replacement, all incidents of Lessee's interest as Lessee hereunder in the Replaced Equipment ipso facto shall cease and terminate automatically and the Replacement Equipment shall become Equipment leased hereunder instead of the Replaced Equipment.

14. Lessee's Covenants Satisfied by Compliance. Lessee's obligations under this Lease (other than for payment of Rent) shall be deemed satisfied by compliance with the requirements hereof by any Underlying Lessee under an Underlying Lease permitted hereby.

15. Additions and Alterations. During the term of this Lease, Lessee may, upon notice to Lessor, make alterations or add attachments to the Equipment provided such alterations and attachments are removable and none thereof decrease the value of the Equipment, in any way damage or injure the Equipment, interfere with the normal or satisfactory operation or maintenance of the Equipment or create a safety hazard. At the expiration of the term hereof, Lessee shall, at its expense, remove such additions or alterations and, forthwith upon such removal, restore the Equipment to its original condition, less ordinary wear and tear.

16. Events of Default.

16.1 "Event of Default" means any of the following events:

(a) If Lessee shall default in the payment of any installment of Rent or other sums payable by Lessee to Lessor or its assigns hereunder as and when such Rent, or other sums become due and payable, and such default shall continue for a period of ten (10) days after notice; provided, however, that, at any time including after termination of the Lease, Lessee shall have the right to offset against, and credit in payment of, any installment of Rent due and owing hereunder or, if the Lease is terminated, any damages with respect to Rent otherwise payable under the Lease but for such termination (i) the amount of any principal and interest then outstanding (whether or not then due) under the Installment Note and (ii) any amounts received by a holder of a Lien in payment thereof upon a sale or other disposition of the Equipment pursuant to a foreclosure or similar proceeding against the Equipment instituted by such holder of a Lien, to the extent any such amounts under (i) or (ii) above are credited in prepayment of the Installment Note; or

(b) If Lessee shall (i) default in the payment, or, in a material way, in the performance or observance, when due, of its obligations under the Liens or of any other covenant, agreement or obligation of Lessee to Lessor hereunder or otherwise relating in any manner to the purchase or leasing of the Equipment including, without limitation, obligations of Lessee (as Seller) under the Purchase Agreement, or (ii) have made any material misrepresentation or materially breached any warranty, covenant or agreement material to Lessor hereunder or under the Purchase Agreement and such default, misrepresentation or breach of warranty shall continue for a period of ninety (90) days after notice (provided, however, that, with respect to defaults under or breaches of Sections 6.1, 6.2 or 13 hereof, Lessor shall not give any such notice thereof to Lessee until on or after October 1, 1979).

16.2 Remedies. If an Event of Default occurs and is continuing, Lessor, at its option and in addition to any other right and remedies available to it hereunder or by operation of law or otherwise, may terminate this Lease and the term hereof by giving Lessee notice of its election and intention to do so. Upon Lessor's election to terminate this Lease as set forth above, then upon the expiration of the time fixed in such notice (i) this Lease and the term hereof shall wholly cease and expire in the same manner and with the same force and effect as if the date fixed by such notice were the expiration of the entire Lease Term herein granted, (ii) subject to the Liens, Lessor may take possession of any or all of the Equipment wherever situated, and, for such purposes, enter upon any premises without any liability for so doing and (iii) subject to the Liens, Lessor may sell, dispose of, hold, use or lease any or all of the Equipment as Lessor in its sole discretion shall determine, without any duty to account to Lessee, except as expressly provided herein. Lessee shall in all events, whether or not this Lease is terminated as foresaid, be and remain liable (a) for damages as provided by law, (b) for Lessee's obligations which extend beyond the Lease Term or such termination and (c) for costs and expenses incurred by Lessor arising from such Event of Default or termination.

17. Indemnification.

17.1 Lessee will indemnify Lessor and protect, defend and hold it harmless from and against any and all loss, cost, damage, injury or expense, including, without limitation, reasonable attorneys' fees, wheresoever and howsoever arising which Lessor or its subsidiaries or shareholders, or any of its or their directors, officers, agents, employees or stockholders, may incur by reason of any breach by Lessee of any of the representations by, or obligations of, Lessee contained in this Lease or in any way relating to or arising out of this Lease, the Equipment, claims of holders of the Liens or Underlying Lessees. Notwithstanding the foregoing, Lessee shall not be required to indemnify Lessor for any loss, cost, damage or expense (including reasonable attorneys' fees) arising out of or as a result of Lessor's misconduct or gross negligence.

17.2 In the event any claim for indemnification hereunder arises on account of a claim or action made or instituted by a third person against Lessor, Lessor shall notify Lessee promptly after the receipt of notice by Lessor that such claim was made or that such action was commenced. Lessee shall be entitled to participate in or, at its option assume the defense of any such claim or action by counsel of its own choosing, and if it assumes such defense, to control and settle the same. If Lessee shall only participate in the defense of any such claim or action, the same shall not be settled without its prior written consent (which consent shall not be unreasonably withheld) unless Lessee shall deny Lessor's right to indemnification.

18. No Transfer. Lessee shall not, without first obtaining the written consent of Lessor, which consent shall not be unreasonably withheld or delayed, sell, assign or transfer any or all of its rights or interests in, to or under this Lease or the Equipment, but in any event Lessee named herein shall remain liable for the full performance of all of the obligations of Lessee under this Lease. Lessor acknowledges and agrees that any transfer by it of the Equipment or any rights therein shall require the prior consent of the holders of the Liens.

19. Disclaimer of Warranties. THE EQUIPMENT IS BEING LEASED HEREUNDER "AS IS." ACCORDINGLY, EXCEPT AS MAY BE SPECIFICALLY SET FORTH HEREIN, LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE OR WITH RESPECT TO PATENT INFRINGEMENT OR THE LIKE. LESSOR SHALL IN NO EVENT, BE LIABLE TO LESSEE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES CAUSED, DIRECTLY OR INDIRECTLY, BY THE EQUIPMENT 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.

20. Remedies. No course of dealing between Lessee and Lessor nor any delay or omission of Lessor or Lessee to exercise any right or remedy granted under this Lease shall operate as a waiver of any rights of such party, and every right and remedy of such party provided for herein shall be cumulative and concurrent, unless otherwise expressly provided herein, and shall be in addition to every other right or remedy provided for herein or now or hereafter existing in law or in equity or by statute or otherwise. The exercise or attempted exercise by such party of any such rights or remedies shall not preclude the simultaneous or later exercise by such party of any or all other such rights or remedies. Such rights or remedies may be exercised from time to time and as often as shall be deemed expedient.

21. Successors and Assigns. Subject to the provisions of Section 18, all covenants and agreements contained in this Lease shall bind the successors, assigns and transferees of Lessee and Lessor and shall inure to the benefit of the successors, assigns, and transferees of Lessee, to the extent assignment is permitted hereunder, and Lessor, in the same manner and to the same extent and with like effect as if such successors and assigns were named in such covenants and agreements and were made parties to this Lease. Except as provided for in this Section 21, nothing contained in this Lease is intended to create any rights in any third persons. No assignment by either party shall relieve such party of its obligations hereunder.

22. Notices. Any notice, request or other communication to either party hereunder shall be given in writing and shall be deemed given on the earlier of the date the same is (i) personally delivered with receipt acknowledged or (ii) mailed by certified or registered mail, return receipt requested, postage prepaid, and addressed to the party for which intended at its address set forth at the head of this Lease together with a copy thereof to such single additional addressee as a party may request by notice to the other. The person and the place to which notices or copies of notices are to be given to either party may be changed from time to time by written notice to the other party.

23. Quiet Enjoyment. So long as this Lease shall not have expired or been terminated, Lessee shall have the right of quiet enjoyment, use and possession of the Equipment in accordance with the terms hereof (subject to the Liens); provided, however, that nothing herein shall be deemed to diminish or modify Lessor's rights upon the occurrence of an Event of Default.

24. Reporting. For income tax purposes Lessee agrees to account for the transactions hereunder as a true lease and will take no position on its tax returns, or any other document filed in connection therewith, inconsistent therewith.

25. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of New York applicable to contracts made and to be performed therein without giving effect to the principles of conflict of laws thereof; provided, however, that the parties shall be entitled to all rights conferred by Section 11303 of Title 49 of the U.S. Code and such additional rights arising out of the filing, recording or deposit hereof or of any financing statement or other document relating hereto, if any, as shall be conferred by the laws of the jurisdictions in which this Agreement or such financing statement or other document shall be filed, recorded or deposited.

26. Further Assurances. Each party hereto shall execute and deliver all such further instruments and documents as may reasonably be requested by the other party in order to fully carry out the intent and accomplish the purposes of this Lease and the transactions referred to herein.

27. Captions. Captions used herein are inserted for reference purposes only and shall not affect the interpretation or construction of this Lease.

28. Execution. This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

29. Severability. The invalidity or unenforceability of any provision of this Lease shall not affect the validity or enforceability of any other provision.

30. Amendments. This Lease may be amended or varied only by a document, in writing, of even or subsequent date hereto, executed by Lessor and Lessee.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the day and year first above written.

LESSEE: AUTO-TRAIN CORPORATION

By: 
President

LESSOR: FS RAILCARS, INC.

By: 

STATE OF)
 : ss.:
COUNTY OF)

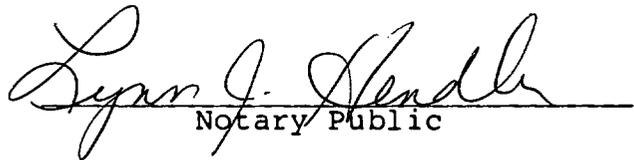
On this day of , 1979, before me personally appeared to me personally known, who being by me duly sworn, did depose and say that he is the of AUTO-TRAIN CORPORATION, the corporation which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said 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.

Notary Public

(SEAL)

STATE OF *N.Y.*)
)
COUNTY OF *N.Y.*) SS.:

On this *29th* day of *March*, 1979, before me personally appeared *Stanley D. Scheuven* to me personally known, who being by me duly sworn, did depose and say that he is the *President* of FS RAILCARS, INC., that one of the seals 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.


Notary Public

(SEAL)

LYNN J. HENDLER
NOTARY PUBLIC, State of New York
No. 31-4632177
Qualified in New York County
Commission Expires March 30, 1980

SCHEDULE A

Fixed Rent shall be monthly installments in the amount of \$167,469.82 for each month during the term hereof commencing with the month of April 1979 and ending with the month of March 1994.

Each such installment shall be due and payable on the last day of each month. Rent in the amount of \$14,266.67 shall be due and payable on March 31, 1979 for the month of March, 1979.

SCHEDULE

<u>Description</u>	<u># of Units</u>	<u>Identification Numbers</u>
Half Dome Coach	7	904, 905, 907, 911-913, 909
Half Dome Diners	3	801, 802, 805
Kitchen Dormitory	1	593
Sleeper	2	AM2241, AM2803
Sleeper	2	250, 252
Caboose	1	93
Single Level Auto Carrier	1	194
Low Level Coach	1	582
Locomotive "B" Units	2	1139, 1140
Half Dome Diner	1	800
Crew Sleepers	2	630, 631
Caboose	2	91, 92
Yard Locomotives	4	622-625
Single Level Carrier*	6	190-193, 195-196
Auto Carrier/Caboose*	3	3, 6, 12
Full Dome Coaches*	13	510-515, 520-521, 523- 524, 522, 540, 541
Half Dome Coaches*	2	460, 470
Half Dome Coaches*	10	700-709
Half Dome Coach*	1	902
Half Dome Diners*	5	804, 806, 807, 803, 808
Diner*	4	590, 592, 594, 598
Diner*	1	570
Diner*	1	580
Kitchen Dormitories*	4	591, 595, 597, 599
Sleepers*	6	201-206
Sleepers*	2	304, 305
Steam Generators*	6	1130, 1132, 1134, 1136- 1138
Bi-Levels*	7	4, 17, 21, 22, 23, 25, 26
Tri-Levels*	20	101-120
Tri-Level Prototype*	1	100

* Subject to a first Lien of Commercial Credit Industrial Corp. and a second Lien of Riggs National Bank.