



SERVING THE SCENIC GREEN MOUNTAIN AREA  
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July 6, 1978

Rex Railways, Inc.  
616 Palisade Avenue  
Englewood Cliffs, New Jersey  
07632

10339 B  
REGISTRATION NO. FILED 1978  
MAY 9 1979  
INTERSTATE COMMERCE COMMISSION

Gentlemen:

This letter will amend the Lease Agreement dated May 24, 1978 between the Vermont Railway, Inc. as Lessee and Rex Railways, Inc. as Owner/Lessor for 450 Boxcars.

Paragraph 10 - Indemnities and Insurance is amended as follows:

REX will defend, indemnify and hold harmless Lessee from and against any and all loss or damage of or to Boxcars, usual wear and tear excepted, unless occurring through the fault of Lessee while Lessee has physical possession of Boxcars.

REX will provide basic insurance coverage of \$10,000,000 to insure Lessee against any claim, cause of action, damage, liability, costs or expenses (including legal fees and costs) arising from the Boxcars for which Lessee may be liable incurred in any manner by or for the account of any such Boxcar, with or without the fault of Lessee, relating to the Boxcars or any part thereof, including without limitation the construction, purchase, delivery of the Boxcars to Lessee's railroad line, ownership, leasing or return of the Boxcars, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by REX or Lessee). Notwithstanding anything herein to the contrary, it is clearly understood that REX's liability herein is limited to the extent of the insurance coverage provided.

In all other respects the Lease Agreement is ratified and affirmed by the parties hereto.

REX RAILWAYS, INC.

VERMONT RAILWAY, INC.

By: Robert W. Gruber

By: Jay L. Wachs

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Rex Railways, Inc.  
Lease Agreement

conditions of the Lease, which terms remain in full force and effect and are hereby ratified and confirmed by the parties hereto.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the undersigned the enclosed duplicate copy of this letter.

Very truly yours,



Harold T. Filskov  
Vice President and  
General Manager

Accepted and approved:

By: Robert W. Hunter  
REX RAILWAYS, INC.

10/13/78  
DATE