



VERMONT RAILWAY

SERVING THE SCENIC GREEN MOUNTAIN AREA
287 BATTERY STREET
BURLINGTON, VT. 05401 • 802-658-2550

OFFICES
ATLANTA, GA. 30318
404-878-1100
CINCINNATI, OH. 45214
513-621-2379

10339 *JK*

RECEIVED

MAY 3 1978

INTERSTATE COMMERCE COMMISSION

October 10, 1978

Mr. Robert Gruber
President
Rex Railways, Inc.
616 Palisade Avenue
Englewood Cliffs, New Jersey 07632

Dear Bob:

Pursuant to the Lease Agreement dated May 5, 1978 between Rex Railways, Inc. as principal and/or agent ("Rex") and Vermont Railway, Inc. ("Lessee") as amended by letter agreements dated June 5, 1978; July 6, 1978; July 7, 1978 and September 21, 1978 (as so amended, the "Lessee"), Rex agreed to lease to Lessee 450 general purpose boxcars. At the time the parties contemplated that delivery of all 450 boxcars subject to the Lease would be made within a period of only a few months. In order to deliver cars to Lessee as soon as possible, Rex has contracted to purchase and subject to the Lease 200 boxcars beginning in early November 1978 and delivery will be completed by December 31, 1978. The balance of the cars (250) are not expected to be delivered and subjected to the Lease until the latter part of the second quarter of 1979. Under these circumstances, it would cause accounting and administrative complexities and inconvenience to treat all 450 cars as subject to the same lease.

Accordingly, the parties hereby agree that the Lease should be treated as two separate leases of the 450 cars, the first such lease to cover 200 boxcars delivered under the Lease by December 31, 1978 and the second such lease to cover 250 boxcars to be delivered under the Lease by June 30, 1979. Such two separate leases are identical except to the extent of the difference arising from the different number of cars subject to each and embody all of the terms and