

THE WORCESTER PLAN, INC.

Suite 200

2655 CAMPUS DRIVE, SAN MATEO, CALIFORNIA 94403

EXECUTIVE OFFICES

May 14, 1979

md-A
AREA CODE 415
573-1200

REGISTRATION NO.

No. **9-135A-113**

Interstate Commerce Commission
12th and Constitution Avenues, N.W.
Washington, D.C. 20423

MAY 15 1979 - 3 45 PM Date **MAY 15 1979**

INTERSTATE COMMERCE COMMISSION Fee \$ **50.⁰⁰**

Attention: Mrs. Mildred Lee, Room 2227

ICC Washington, D. C.

Gentlemen:

There are handed to you herewith, for recording in compliance with the provisions of Section 20c of the Interstate Commerce Act, the original and three counterparts each of Railroad Car Lease Agreement, dated as of May 14, 1979, together with this Company's voucher in the sum of \$50.00 in payment of the required recording fees.

The following information is set forth in accordance with the provisions of Section 57.4 of the Commission's Order of July 28, 1952, as amended:

Name and Address of Lessor:

The Worcester Plan, Inc.
2655 Campus Drive, Suite 200
San Mateo, California 94403

Name and Address of Lessee:

Amador Central Railroad Company
2740 Hyde Street, P.O. Box 3498
San Francisco, California 94119

Name and Address of Guarantor:

The Bendix Corporation
Bendix Center, Civic Center Drive
Southfield, Michigan 48706

General Description of the Equipment Covered by Railroad Car Lease Agreement:

Seventy-five (75) 70-ton 52'8" boxcars with 16' double free rolling doors and cushion underframe

AAR mechanical designation XM, and with the identifying marks:

AMC 1001 to AMC 1075, inclusive.

RECEIVED
MAY 15 2 40 PM '79
I.C.C.
FEE OPERATION BR.

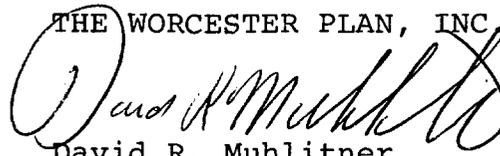
Paul Gaymer
Paul Gaymer

Interstate Commerce Commission
May 14, 1979
Page Two

When recording of the Railroad Car Lease Agreement has been completed, will you kindly return three counterparts of the document with evidence of recording endorsed thereon to our representative.

Very truly yours,

THE WORCESTER PLAN, INC

A handwritten signature in cursive script, appearing to read "David R. Muhlthner".

David R. Muhlthner
Counsel

DRM/glj
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

5/15/79

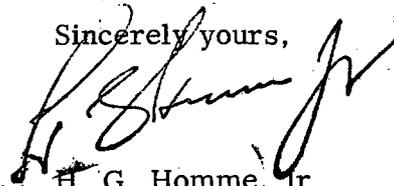
OFFICE OF THE SECRETARY

David R. Muhlitzner, Counsel
The Worcester Plan, Inc.
2655 Campus Drive
San Mateo, Calif. 94403

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/15/79 at 2:45pm, and assigned recordation number(s). 10371

Sincerely yours,



H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)

MAY 10 1979

RECORDATION NO. 0371 Filed 1425

MAY 15 1979 -2 45 PM

INTERSTATE COMMERCE COMMISSION

RAILROAD CAR LEASE AGREEMENT

This Railroad Car Lease Agreement (hereinafter sometimes referred to as "this Lease" or "this Lease Agreement"), made and entered into as of this 15th day of April, 1979, between Amador Central Railroad Company, a California corporation ("Lessee"), and The Worcester Plan, Inc., a Massachusetts corporation ("Lessor").

The parties agree:

1. Definitions

(a) "Car" or "Cars" means the railroad boxcars referred to in Section 2.

(b) "Acquisition Cost" of a Car is an amount equal to the sum of the manufacturer's delivered price, the cost of any original equipment which may be added, excise tax on the Car, any sales and use taxes, and freight, storage and other expenses required to effect delivery of the Car to the Lessee (but not any interest on manufacturer's price), less purchase discounts obtained.

(c) "Rent" for any Car for any full month for which rent is due during the lease term of the Cars will be one percent (1%) of the Acquisition Cost of such Car less Ten dollars (\$10.00). "Rent" for any Car for any period of less than a month shall be a sum determined by (i) dividing the Rent due for such Car for a full month by the number of days in such partial month and (ii) multiplying the quotient by the number of days remaining in such partial month from the Average Date of Delivery or, as the case may be, the number of days elapsed from the beginning of such month to the anniversary date of the Average Date of Delivery.

(d) "Delivery Period" means any calendar month in which a Car or Cars are delivered. For purposes of this Section 1(d) and Section 1(e), the date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the location specified in the applicable

Supplemental Schedule provided for in Section 2.

(e) "Average Date of Delivery" for each Delivery Period means that date which is determined by (i) multiplying the number of Cars delivered by Lessor on each day during the Delivery Period by the number of days elapsed between such day and the date of delivery of the first Car during the Delivery Period, and (ii) adding all of the products so obtained and dividing that sum by the total number of Cars delivered during the Delivery Period and (iii) adding such quotient rounded out to the nearest whole number to the date of delivery of the first Car during the Delivery Period.

(f) "Service Agreement" means such agreement as may be entered into between Lessee and Lessor providing for maintenance of the Cars and for certain other services in connection with the use and operation of the Cars.

2. Scope of Agreement. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor under the terms and conditions of this Lease Agreement, seventy-five (75) XM railroad boxcars owned or to be owned by Lessor as set forth in a schedule or schedules (the "Supplementary Schedule" or "Supplementary Schedules") to be executed hereafter and made a part hereof; provided, however, that Lessee shall have the right to terminate this Lease with respect to any Car that has not been delivered to Lessee, as provided in Section 3, within one year from the date of this Lease. Lessor and Lessee agree that there shall be a separate Supplemental Schedule for the Cars delivered during each Delivery Period. Any such Supplemental Schedule shall contain the information required to be included therein under this Lease Agreement, or otherwise reasonably required by Lessor or Lessee.

3. Delivery. After the Cars have been inspected by Lessor, they will be accepted for delivery by Lessor on behalf of Lessee at the manufacturer's premises. Each Car will be deemed delivered to Lessee upon such acceptance by Lessor. Lessee's execution of a Supplementary Schedule with respect to each Car pursuant to Section 2 hereof shall conclusively establish that, as between Lessor and Lessee, but without limiting or otherwise affecting Lessee's or Lessor's rights, if any, against the Manufacturer thereof, such Car is acceptable to and accepted by Lessee under this Lease, notwithstanding

any defect with respect to design, manufacture, condition or in any other respect, and that such Car is in good order and condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to new railroad equipment of the character of the Cars as of the date of this Lease. The execution and delivery of such Supplementary Schedule shall constitute Lessee's representation that it has no knowledge of any such defect. Lessor shall not be responsible for or liable to Lessee for failure to deliver or delays in delivering Cars to Lessee due to acts of God, legislation or regulation of any governmental body, court decrees, acts of the public enemy, riots, strikes, labor disputes, labor or material shortages, fires, explosions, floods, earthquakes, breakdown of or damage to plants, equipment or facilities.

4. Duty to Number and Mark Equipment; Filing.

4.1. Lessee will cause each Car to be kept numbered with its road number as set forth in the Supplementary Schedules delivered pursuant hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Car in letters not less than one inch in height as follows:

"Leased from The Worcester Plan, Inc.
as Owner, and Subject to a Security
Interest recorded with the I.C.C."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of Lessor to such Car, its rights under this Lease and the rights of any assignee of Lessor thereunder. Lessee will not place any such Car in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. Lessee will not change the road number of any Car except with the consent of Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been

delivered to Lessor by Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on the Car as a designation that might be interpreted as a claim of ownership; provided, however, that Lessee may cause the Car to be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of Lessee to use the Car under the Lease.

4.2. Prior to the delivery and acceptance of the first Car hereunder, Lessee will cooperate with Lessor in causing this Lease and any financing agreements entered into by Lessor in connection herewith to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with 49 USC 11303 and in such other places within or without the United States as the Lessor or any assignee thereof pursuant hereto may reasonably request. Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments by law or reasonably requested by Lessor or any assignee thereof pursuant hereto, for the purpose of protecting Lessor's title to, or such assignee's security interest in, any Car to the satisfaction of the Lessor's or such assignee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to Lessor and such assignee proof of such filings and an opinion of Lessee's counsel reasonably satisfactory to Lessor and such assignee that such action has been properly taken. Lessee will pay all costs, charges and expenses incident to changes in the plates or stencils described in Section 4.1 or to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of any such action, except costs, charges and expenses arising as a result of an assignment of this Lease Agreement from Lessor's immediate assignee to any subsequent

assignee.

5. Term. This Lease Agreement shall be effective as to any Car on the date of delivery to Lessee of such Car and, unless otherwise provided herein, shall remain in full force and effect until terminated in respect of each Car. The lease term with respect to the Cars shall commence on the Average Delivery Date of the Cars as shown on the Supplemental Schedule or Schedules and shall be for ten (10) years.

6. Payments. Rental payments for each month for which rent is due shall be made on the 25th day of the current month, except that the first full month's payment for the lease term shall include any rental for any prior period of less than one month. Lessee agrees to pay interest at the rate of 9-7/8% per annum on the amount of rent or other sums owing under this Lease Agreement after such amounts are due and payable.

Each installment of rental, payments of interest on late payments thereof and all payments for casualty losses pursuant to Section 12 hereof shall be paid to Lessor in accordance with the reasonable written instructions of the Lessor; provided that in the event Lessor shall notify Lessee in writing that the right to receive payment thereof or shall have been assigned in accordance with Section 18.2 hereof, the Lessee shall make such payment to the place designated in such notice or as otherwise designated from time to time in writing by such assignee. The amount of any payment owing to the Lessor pursuant to Sections 11 (with respect to public liability insurance) 13 and 23 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 18.2 hereof. All payments other than those above specified shall be made by Lessee directly to the party to receive the same unless any such payment has previously been made by Lessor or its assignee, in which case Lessee shall reimburse Lessor or its assignee, as the case may be, directly for such payment.

7. Possession and Use. So long as Lessee shall not be in default under this Lease Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Lease Agreement in the same manner as similar railroad boxcars are customarily used in the railroad freight business. Lessee agrees that the Cars shall at all times be used (i) in compliance with all insurance policy conditions and codes, rules, interpretations, laws or orders governing acquiring, titling, registering, leasing,

insuring, and disposing of the Cars and hire, use, condition repair and all other matters pertaining to the movement and interchange of freight traffic applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads ("AAR") and any other organization, association or local, state or federal agency or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may be responsible for or have authority over the foregoing; (ii) in compliance with the terms of this Lease Agreement; and (iii) in a careful and prudent manner solely in the use, service and manner for which they were designed. Lessee shall not, without the prior written consent of Lessor, voluntarily, directly or indirectly, create, incur or assume any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Lease Agreement, and shall promptly discharge any such mortgage, pledge, lien, charge, encumbrance, or other security interest or claim.

8. Title. Lessee shall not by reason of this Lease Agreement acquire or have any right or title in the Cars except the rights expressly granted to it hereunder.

9. Costs and Improvements. As between Lessor and Lessee, Lessee shall be liable for and shall pay all costs, expenses, fees, taxes and charges incurred in connection with the use and operation of the Cars, including repair and maintenance costs. The Lessee shall cause the Cars to be maintained in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange, and will cause to be made any additions or improvements to the Cars in order to comply with the provisions of Section 7 hereof. All improvements and additions to the Cars shall become and remain the property of Lessor.

10. Substitution of Cars. Lessor may terminate this Lease Agreement in respect of any Car it deems to be unsuitable or uneconomical for repair and maintenance work for which Lessor is responsible under the Service Agreement ("Uneconomical Car"). Upon such termination Lessor may replace any such Car, or Lessor may replace any Car for which payment has been received pursuant to Section 12 ("Casualty Car"), with a substantially similar car. In addition, at Lessee's request, Lessor shall replace any "Uneconomical Car" in respect of which this Lease Agreement is terminated, or any "Casualty Car", with a car of similar cost, age, and configuration, but only if Lessor has such a

car in inventory and unallocated to any other person. (Any car which replaces a "Casualty Car" or an "Uneconomical Car" pursuant to the foregoing provisions is hereinafter referred to as a "Replacement Car"). For purposes of this Section 10 "cost" shall include financing as well as acquisition costs. Any such Replacement Car shall conform to the requirements of this Lease. Without limiting the foregoing, the Lessor and the Lessee shall at the time the Replacement Car is delivered hereunder provide to each other and any assignee of the Lessor pursuant to Section 18.2 hereof in such number of counterparts as may reasonably be requested the following documents:

(i) Lessor shall provide an invoice marked "paid" by the seller of the Replacement Car and a bill of sale from the manufacturer thereof to the Lessor for the Replacement Car warranting to the Lessor good title free and clear of all liens and encumbrances not permitted under this Lease Agreement;

(ii) Lessor shall provide an opinion of its counsel to the effect that such Replacement Car is free from all claims, liens, security interests and other encumbrances not permitted by this Lease;

(iii) Lessee shall provide a Certificate executed by Lessee stating that such Replacement Car has been delivered, tested and inspected by Lessee, found to be in good order by Lessee and accepted for purposes of this Lease (and indicating the date of such acceptance); and

(iv) Lessor shall provide an opinion of counsel to the effect that (1) a proper supplement or amendment to this Lease in respect to the Replacement Car has been fully authorized, executed and delivered by the parties thereto and is legal, valid and binding on the Lessor and (2) no consent, approval, or authorization of any governmental authority is required on the part of the Lessor in connection with the execution and delivery of such supplement and amendment, and (3) such supplement or amendment has been filed pursuant to Section 4.2 hereof and that such Replacement Car has been marked and numbered pursuant to Section 4.1 hereof.

11. Insurance. Lessee will, at its own expense, with respect to the Cars, maintain insurance in the amount of \$25,000,000 as a result of one accident insuring the respective interests of Lessor and Lessee and covering liability for personal injury, death and property damage resulting from the operation, ownership, use and possession of the Cars and covering any contractual commitments of Lessee to Lessor or its assignee under this Lease Agreement. Lessor will, at its own expense, with respect to the Cars, maintain primary physical damage insurance, including loss of income coverage, in amounts and against risks customarily insured against by other railroad companies on similar equipment which policy shall provide that the proceeds, if any, shall be payable to any assignee of Lessor pursuant to Section 18.2 hereof under a standard mortgage loss payable clause satisfactory to Lessee, Lessor and such assignee; provided, however, that should the premium for such coverage in any one year increase by more than 10% of the prior year's premium Lessee shall reimburse Lessor for any amounts paid in excess of such 10% increase. All policies will provide for at least ten (10) days' written notice to each party, including said assignee, of any cancellation or material alteration of such policies, and each party shall furnish the other party and any such assignee certificates or other evidence of compliance with the provisions hereof, but neither party shall be under a duty to examine such certificates or to advise the other in the event the insurance is not in compliance herewith. Lessor's and Lessee's obligations to maintain insurance shall commence on the actual date of delivery of the Cars to Lessor and shall continue, except as otherwise provided in this Section, until the lease of the Cars terminates. All proceeds of insurance received by any party other than the Lessee with respect to any Cars not determined to be casualty losses under Section 12 hereof shall be paid thereby to the Lessee upon reasonable proof that any damage to any Car with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by the Lessor with respect to Cars which are determined to be casualty losses pursuant to Section 12 hereof shall be credited thereby toward the payment required by Section 12 with respect to such casualty loss.

12. Casualty Losses. Lessee assumes all risk of loss and damage to the Cars. In the event any Car is lost, stolen, destroyed or damaged beyond economic repair, or shall be requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a stated period which exceeds the then remaining term hereof Lessee shall, within five (5) days of its knowledge thereof, by written notice, fully

advise Lessor and any assignee thereof pursuant to Section 18.2 hereof of such occurrence. Lessee shall, within forty-five (45) days of the giving of such notice, promptly pay to Lessor a sum which is the higher of (i) the amortized value of such Car (as shown on the "Amortization Schedule" to be made a part hereof) on the date it is lost, stolen, destroyed or damaged beyond economic repair and (ii) the same amount as is prescribed in applicable rules or regulations of the AAR or any other governing association, agency or governmental authority for the loss of such Car; provided, however, that if Lessor shall have received from a handling railroad or other party payment in the same amount as is prescribed for the loss of the Car pursuant to such rules or regulations, prior to any payment required to be made above, and such payment is less than the amortized value of the Cars, the amount owed by Lessee to Lessor hereunder will be the difference, if any, between such payment and the amortized value of the Car. This Lease Agreement shall terminate only with respect to such Car on the date Lessor shall receive payment pursuant to this Section 12, and thereafter Lessee shall have no further liability to Lessor under this Lease Agreement with respect thereto excepting accrued rent and liabilities arising or existing under Sections 7 or 13 hereunder. After receipt of payment for any Car requisitioned or taken by governmental authority, as provided in this Section 12, Lessor shall assign to Lessee all its right, title and interest in and to such Car, including the right to receive payments therefor, if any, by such governmental authority.

13. Indemnity.

13.1. Lessee agrees to indemnify and hold harmless Lessor and any assignee thereof pursuant to Section 18.2 hereof against any and all claims, demands, losses, damages, including without limitation damage to the Cars or damage to property, and liabilities of whatsoever nature, including without limit those arising from strict liability in tort, and all costs and expenses, including legal expenses and reasonable counsel fees, relating to or in any way arising out of:

(a) the ordering, delivery, acquisition, title on acquisition, rejection, installation, condition, including latent and other defects whether or not discoverable, possession, titling, use, non-use, misuse, operation, transportation, repair, control or disposition of the Cars under this Lease Agreement,

except to the extent that such costs are included in the Acquisition cost of such Cars as provided in the Supplemental Schedule or Schedules and except for any general administrative or overhead expenses of Lessor;

(b) all federal, state, county, municipal, foreign, or other fees and taxes of whatsoever nature, including but not limited to license, qualification, franchise, sales, use, gross receipts, ad valorem, business, property (real or personal), excise, motor vehicle, and occupation fees and taxes, and penalties and interest thereon, whether assessed, levied against or payable by Lessor and/or any assignee thereof pursuant to Section 18.2 hereof or otherwise, with respect to the Cars, or the acquisition, purchase, sale, rental, use, operation, control, ownership or disposition of the Cars, under this Lease Agreement, or measured in any way by the value thereof or by the business of, investment in, or ownership by Lessor with respect thereto, excepting only net income taxes on the net income of the Lessor determined substantially in the same manner as net income is presently determined under the Federal Internal Revenue Code; and

(c) any violation, or alleged violation, by Lessee of this Lease Agreement or of any contracts or agreements to which Lessee is a party or by which it is bound, or any laws, rules, regulations, orders, writs, injunctions, decrees, consents, approvals, exemptions, authorizations, licenses and withholdings of objection, of any governmental or public body or authority and all other requirements having the force of law applicable at any time to the Cars under this Lease Agreement or any action or transaction by Lessee with respect thereto or pursuant to this Lease Agreement.

13.2. Lessee shall forthwith upon demand reimburse Lessor and/or any assignee thereof pursuant to Section 18.2 hereof for any sum or sums expended with respect to any of the foregoing, or shall pay such amounts directly upon request from Lessor or such assignee. Lessee shall be subrogated to Lessor's right in the affected transaction to the extent of any payments made by Lessee pursuant to this Section

11.2 and shall have a right to contest any adverse determination in any affected transaction in good faith and by appropriate legal proceedings at its sole expense. All Lessor's rights and privileges arising during the term of this Lease Agreement, arising under this Section 13, shall survive the expiration or earlier termination of this Lease Agreement.

14. Return of Cars. Upon the expiration or termination of this Lease Agreement with respect to any Car (other than pursuant to Section 15 hereof), Lessee shall at its sole cost and expense forthwith surrender possession of such Car to Lessor by delivering same to Lessor at Roseville, California. Each Car so surrendered shall be in the same or as good condition, order and repair as when delivered to Lessee, wear and tear from ordinary use and the passage of time excepted, shall be in need of no repairs for which Lessee is liable, and shall be free from all accumulations or deposits from commodities transported in or on the Cars while in the service of Lessee. Lessee shall reimburse Lessor for any costs it incurs in connection with the deletion of Lessor's markings from such Cars. Until the delivery of possession to Lessor pursuant to this Section 14, Lessee shall continue to be liable for and shall pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall in addition make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease Agreement as though such termination or expiration had not occurred. Nothing in this Section 14 shall give Lessee the right to retain possession of any Car after expiration or termination of this Lease Agreement with respect to such Car.

15. Events of Default. The following events of default by the Lessee shall give rise to the rights on the part of the Lessor described in Section 16:

(a) Default in the payment of rent hereunder or the payment of any casualty loss pursuant to Section 12 hereof beyond ten (10) days from the date the same is due; or

(b) Default in the payment or performance of any liability, obligation, or covenant of the Lessee or any parent or affiliated corporation of the Lessee to the Lessor under this Lease Agreement and the continuance of such default for thirty (30) days after

written notice to the Lessee sent by registered or certified mail by the Lessor; or

(c) The Lessee shall make or knowingly permit any unauthorized assignment or transfer of this Lease, or of possession of the Cars, or any portion thereof; or

(d) Any representation or warranty made (i) by Lessee herein or in any statement or certificate furnished to Lessor or any assignee thereof, to or in connection with this Lease, is untrue in any material respect as of the date of issuance or making thereof, or (ii) by the Guarantor in or pursuant to or in connection with any agreement executed by Guarantor to guarantee payment and performance by the Lessee of its obligations and liabilities under this Lease or in any statement or certificate furnished to Lessor or any assignee thereof, pursuant to or in connection with this Lease or such guaranty agreement, proves untrue in any material respect as of the date of issuance or making thereof; or

(e) The termination of existence or business failure of, or an act of bankruptcy by, or the making of an assignment for the benefit of creditors by, the Lessee or by The Bendix Corporation (the "Guarantor"); or

(f) The institution of bankruptcy, reorganization, liquidation or receivership proceedings by or against the Lessee or Guarantor and, if instituted against the Lessee or Guarantor, the consent of the Lessee or the Guarantor, as the case may be, thereto or the pendency of such proceedings for thirty (30) days.

16. Rights of Lessor upon Default of Lessee. Upon the occurrence of any of the events of default described in Section 15 the Lessor may in its discretion do one or more of the following:

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

(b) Upon five (5) days written notice, terminate this Lease Agreement, whereupon all rights of Lessee to the use of the Cars shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided, and thereupon Lessor may at its option cause the Lessee to do each or all of the following: (i) at Lessee's risk and expense promptly to surrender possession of the Cars to Lessor at Roseville, California, or (ii) at Lessee's risk and expense to place the Cars in such storage place on Lessee's lines of railroad as Lessor may reasonably designate (or if no such lines are available, upon other railroad lines as may be made available to the Lessee at its expense) and permit Lessor to store the Cars at such storage site without charge to Lessor until the Cars are sold, leased or otherwise disposed of; or (iii) enter upon the premises where the Cars are located and take immediate possession of and remove them by summary proceedings or otherwise. Lessee shall, without further demand, forthwith pay to Lessor as liquidated damages and not as a penalty, a sum equal to the aggregate of the following: (a) all unpaid rentals or other sums due and payable up to the date of storage, redelivery or repossession of the Cars; (b) any expenses paid or incurred by Lessor in connection with the repossession, holding, repair and subsequent sale or lease of the Cars, including reasonable counsel's fees and legal expenses; (c) all unpaid rent to the end of the lease term for Cars which Lessee fails to return to Lessor as provided above or converts or destroys, or which Lessor is unable to repossess; and (d) all unpaid rent for the Cars redelivered or repossessed from the date of their redelivery or repossession to the end of the lease term ("unexpired rent"). Following the redelivery or repossession of the Cars, Lessor shall sell the Cars at public or private sale, for cash or credit, without demand or notice to Lessee, or re-lease them, in such manner as it shall deem appropriate, such sale or re-lease to be at a reasonable price or rental rate under the circumstances. If the proceeds of sale exceed the amortized value of the Cars at the end of the full lease term, or if the proceeds of any re-lease of the Cars for a period substantially similar to the unexpired rental period of the Cars exceed the unexpired rent, any such excess shall be

credited to the unexpired rent paid by or due from the Lessee and Lessor shall be entitled to retain the difference between any such excess and the unexpired rent.

The assembling, delivery, storage and transporting of the Cars 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 Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Cars.

The Lessee also agrees to furnish to the Lessor and any assignee pursuant to Section 18.2 hereof, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an event of default under this Section 15 or which, after notice or lapse of time, or both, would constitute such an event of default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section 16 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

No remedy referred to in this Section 16 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any default or event of default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or event of default. The failure or delay of Lessor in exercising any rights granted it 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 and any single or partial exercise of any particular right by Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

17. Investment Tax Credit. As permitted under Section 48(d) of the Federal Internal Revenue Code, Lessor shall elect to treat Lessee as having acquired the Cars which are leased hereunder, if it qualifies for such election, for purposes of

the investment credit provisions under Section 38 of the Federal Internal Revenue Code and Lessee shall consent to such election as to all Cars leased hereunder and which qualify for such election. Lessee shall provide Lessor with a summary statement as to all Cars for Internal Revenue Service reporting purposes.

18. Sublease and Assignment.

18.1. The right to assign this Lease Agreement by either party and the Lessee's right to sublease shall exist only as follows:

(a) Lessee shall have no right to assign or sublease or loan any of the Cars without the prior written consent of Lessor; provided, however, that Lessee shall have the right to sublease any of the Cars for single trips within the continental limits of the United States to its customers or suppliers where the sole purpose of such sublease is to obtain exemption from demurrage on the subleased Cars. Any such sublease shall be upon terms which are in compliance with all applicable rules, tariffs, regulations and laws and all terms and conditions of this Lease Agreement; and

(b) all rights of Lessor under this Lease Agreement may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part without notice to or consent of Lessee.

18.2. Lessee acknowledges notice that Lessor proposes to finance its acquisition and ownership of the Cars by borrowing and in that connection will, as security, grant to an assignee a security interest in the Cars, it being understood, however, that such security interest shall be and remain subject and subordinate to the rights of the Lessee hereunder and any security agreement shall confirm such priority. Lessee also acknowledges notice of the intended assignment by Lessor to an assignee of the rents and all other sums due and to become due under this Lease Agreement, all as security for obligations of the Lessor to the assignee. Lessee shall receive notice of the grant of such security interest and of the assignment of such rents and other sums. After such assignment the terms and provisions of this Agreement may not be altered, modified or waived without the

written consent of such assignee. After such assignment and written notice thereof to the Lessee, the Lessee shall make payment of all rents and other payments due hereunder directly to the assignee, and such payments shall discharge the obligations of Lessee to Lessor hereunder to the extent of such payments. The assignment by the Lessor to the assignee of rights hereunder shall not transfer to the assignee the general title to the Cars or impose on the assignee any of the duties or obligations of the Lessor hereunder, but in all other respects the assignee shall have all the rights of the Lessor hereunder to the extent necessary to realize upon rents and other monies payable by the Lessee and to protect the assignee's security interest in the Cars resulting from the chattel mortgage. Without limiting the foregoing, Lessee further acknowledges and agrees that the rights of any such assignee in and to the rents and other sums payable by Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever whether by reason of failure of or defect in Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Cars or any part thereof, or any damage to or loss or destruction of the Cars or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of Lessor to Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment.

19. Warranty. Lessor agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any Cars or parts therefor and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights.

LESSOR MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING SPECIFICALLY BUT NOT EXCLUSIVELY, MERCHANTABILITY,

FITNESS FOR A PARTICULAR PURPOSE, OR THE DESIGN, WORKMANSHIP, CONDITION OR QUALITY OF THE CARS OR COMPONENTS THEREOF WHICH CARS HAVE BEEN DELIVERED TO LESSEE HEREUNDER; AND LESSOR SHALL HAVE NO LIABILITY HEREUNDER FOR DAMAGES OF ANY KIND, INCLUDING SPECIFICALLY BUT NOT EXCLUSIVELY, SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ON ACCOUNT OF ANY MATTER WHICH MIGHT OTHERWISE CONSTITUTE A BREACH OF WARRANTY OR REPRESENTATION. Provided, however, that nothing contained in this Section 19 shall relieve Lessor from any liabilities it might have arising out of its obligations set forth in the Service Agreement.

20. Miscellaneous. This Lease Agreement and all rights hereunder shall be governed by the laws of the State of California. Each of the parties hereto acknowledges that the other party shall not by act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder or under any other instrument given hereunder unless such waiver is given in writing and the same shall be binding to the extent therein provided and only upon the parties signing the same. A waiver of any one occasion shall not be construed as a waiver on any future occasion. No executory agreement shall be effective to change, modify or discharge, in whole or in part, this Lease Agreement or any other instrument given in connection herewith unless such agreement is in writing and signed by the party to be charged therewith. All rights, remedies and powers granted herein, or in any other instrument given in connection herewith, are not exclusive but shall be cumulative and may be exercised singly or cumulatively. The Lessee hereby waives, to the extent permitted by law, any mandatory requirements of law which might limit or modify any of the remedies herein provided.

21. Severability. If any term or provision of this Lease Agreement or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

22. Entire Agreement. Except as to the Service Agreement, this Lease Agreement set forth the entire agreement between the parties hereto and merges all discussions between them, and annuls and replaces any and every agreement, whether oral or written, which may have existed between them to the

extent that any such agreement relates or related to the subject matter hereof.

23. Right of Lessor to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, either the Lessor or its assignee pursuant to Section 18.2 hereof may, but shall not be obligated to, make advances to perform the same and take such other action as may be necessary to obtain such performance. Any payment so made by any such party and all costs and expenses incurred thereby (including reasonable attorneys' fees and expenses) shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder with interest thereon for the period expended and unpaid at the rate of 9-7/8% per annum.

24. Execution in Counterparts. This Lease Agreement and any schedule and/or supplement hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

25. Notices. All notices hereunder will be in writing or where appropriate by telex and will be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the other party at the address set forth below or, in the case of telex, transmitted and acknowledged.

Amador Central Railroad Company: Amador Central Railroad Company
c/o Bendix Forest Products
Corporation
2740 Hyde Street
San Francisco, California 94109
ATTN: Manager, Physical Distribution
and Transportation
with copies to be provided
to the Bendix Corporation

The Bendix Corporation: The Bendix Corporation
Executive Offices
Bendix Center
Civic Center Drive
Southfield, Michigan 48706
ATTN: Treasury Dept.

The Worcester Plan, Inc.:

The Worcester Plan, Inc.
2655 Campus Drive, Suite 200
San Mateo, California 94403
ATTN: Mr. Bernard Goldman,
President

IN WITNESS WHEREOF, the undersigned have executed these presents as of the date first hereinabove written.

THE WORCESTER PLAN, INC.

By AP Browne
Its Vice President

Form Approved
DRM
Counsel

ATTEST:

David R. Muhl
Assistant Secretary

AMADOR CENTRAL RAILROAD COMPANY

By [Signature]
Its ~~VICE~~ President

ATTEST:

[Signature]
Assistant Secretary

SECRETARY-TREASURER

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 11th day of May, 1979, before me personally appeared J. Gump, to me personally known, who, being by me duly sworn, says that he is Vice President of Amador Central Railroad Company, 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.

Marianne Hetherington
Notary Public

My Commission Expires:



2740 HYDE ST., SAN FRANCISCO, CA. 94109

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

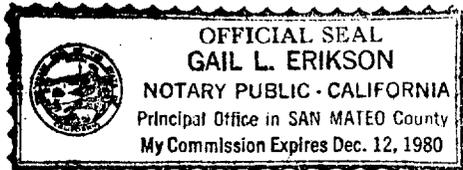
On this 14th day of May, 1979, before me personally appeared Edmund P. Browne, to me personally known, who, being by me duly sworn, says that he is a Vice President of The Worchester Plan, Inc., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that 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

My Commission Expires:

Dec. 12, 1980

Gail L. Erikson



SUPPLEMENTAL SCHEDULE NO. 1

The undersigned Lessor and Lessee hereby acknowledge and agree that the Cars described in this Supplemental Schedule have been delivered to and are now in the possession of and have been unconditionally accepted by the Lessee under and pursuant to and subject to all the terms and conditions of the Railroad Car Lease Agreement and that the information below is correct and accurate.

<u>QUANTITY</u>	<u>PLACE OF DELIVERY</u>	<u>DELIVERY DATE</u>	<u>AVERAGE DELIVERY DATE</u>	<u>LESSEE'S ROAD NUMBERS (BOTH INCLUSIVE)</u>	<u>UNIT ACQUISITION COST</u>	<u>TOTAL ACQUISITION COST</u>
	F.O.B. Manufacturer's Premises					

THE WORCESTER PLAN, INC., Lessor

AMADOR CENTRAL RAILROAD COMPANY, Lessee

By _____
Its _____

By _____
Its _____

AMADOR CENTRAL RAILROAD COMPANY

Amortized values for Cars having an acquisition cost of \$1,000.

<u>MONTH</u>	<u>AMORTIZED VALUE (after payment of rent for such month)</u>	<u>MONTH</u>	<u>AMORTIZED VALUE (after payment of rent for such month)</u>
1	\$998.21	41	\$912.94
2	996.40	42	910.43
3	994.57	43	907.90
4	992.73	44	905.35
5	990.88	45	902.78
6	989.01	46	900.18
7	987.13	47	897.57
8	985.23	48	894.94
9	983.31	49	892.28
10	981.38	50	889.60
11	979.44	51	886.90
12	977.48	52	884.17
13	975.50	53	881.43
14	973.50	54	878.66
15	971.49	55	875.87
16	969.46	56	873.06
17	967.42	57	870.21
18	965.36	58	867.35
19	963.27	59	864.47
20	961.18	60	861.56
21	959.07	61	858.63
22	956.94	62	855.68
23	954.79	63	852.69
24	952.63	64	849.69
25	950.44	65	846.66
26	948.24	66	843.61
27	946.02	67	840.53
28	943.78	68	837.42
29	941.53	69	834.29
30	939.25	70	831.14
31	936.96	71	827.96
32	934.65	72	824.75
33	932.32	73	821.51
34	929.97	74	818.25
35	927.60	75	814.96
36	925.20	76	811.65
37	922.79	77	808.31
38	920.36	78	804.94
39	917.91	79	801.53
40	915.44	80	798.11

AMORTIZED VALUE
(after payment
of rent for
such month)

<u>MONTH</u>	
81	\$794.66
82	791.18
83	787.67
84	784.12
85	780.55
86	776.95
87	773.32
88	769.66
89	765.97
90	762.24
91	758.49
92	754.71
93	750.90
94	747.06
95	743.18
96	739.28
97	735.34
98	731.37
99	727.37
100	723.33
101	719.26
102	715.16
103	711.03
104	706.86
105	702.66
106	698.41
107	694.14
108	689.83
109	685.49
110	681.11
111	676.68
112	672.23
113	667.74
114	663.21
115	658.65
116	654.05
117	649.40
118	644.72
119	640.01
120	635.26