

JUL 26 1979 - 10 52 AM

AMENDMENT TO LEASE OF RAILROAD EQUIPMENT STATE COMMERCE COMMISSION

LEASE FINANCING CORPORATION, a Pennsylvania corporation ("Lessor") and NATIONAL RAILWAY UTILIZATION CORPORATION and PICKENS RAILROAD COMPANY, both South Carolina corporations (collectively, "Lessee"), in consideration of the mutual covenants herein contained, and for other good and valuable consideration, receipt of which is hereby acknowledged, intending to be legally bound hereby, agree with each other as follows:

1. The Lease of Railroad Equipment dated as of June 29, 1979, Lease No. Y179-1290.3, between Lessor and Lessee ("Lease") is amended as follows:

a. §3.1 of the Lease is amended by replacing the word "October" in the tenth line thereof with the word "August".

b. §4 of the Lease is amended by replacing the word "October" in the fourth line thereof with the word "August".

c. Page L-9 of the Lease is amended by replacing said page with the page L-9 attached hereto as Exhibit A.

d. §9.2 of the Lease is amended by inserting after the word "claim" in the eleventh line of the second paragraph thereof the following:

"known to the Lessee from which liability may be charged against the Builder under the Purchase Agreement."

e. §15 of the Lease is amended by inserting in the fourth line thereof, after the word "and", the following:

"the Lease and the Lease Assignment to be".

f. §15 of the Lease is further amended by replacing the last sentence with the following:

"This Lease and the Security Documents shall be filed with the Interstate Commerce Commission, the Lease to be filed prior to the delivery and acceptance hereunder of any Unit and the Security Documents to be filed prior to the Closing Date (as defined in the Participation Agreement) and the Lease and the Lease Assignment deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and provision made for publication of notice of such deposit in The Canada Gazette prior to the Closing Date."

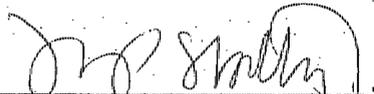
g. §17 of the Lease is amended by inserting in the fifth line thereof on page L-22, after the word "given", the following:

"in the same manner".

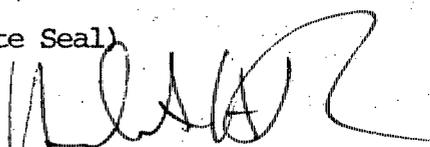
2. Except as amended by this Amendment to Lease of Railroad Equipment, the terms of the Lease shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this agreement by their duly authorized officers as of the 16th day of July, 1979.

LEASE FINANCING CORPORATION

By 
Title President

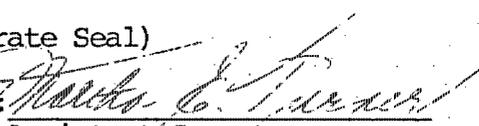
(Corporate Seal)

Attest: 
Assistant Secretary

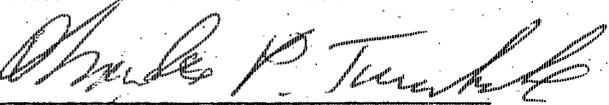
NATIONAL RAILWAY UTILIZATION CORPORATION

By 
Title Vice President

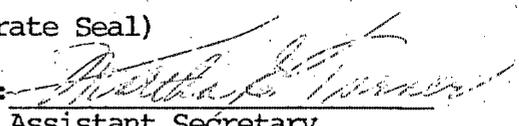
(Corporate Seal)

Attest: 
Assistant Secretary

PICKENS RAILROAD COMPANY

By 
Title Vice President

(Corporate Seal)

Attest: 
Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF PHILADELPHIA)

On this 24th day of July, 1979, before me personally appeared Charles P. Turnburke, to me personally known, who, being by me duly sworn, says that he is Vice President of NATIONAL RAILWAY UTILIZATION CORPORATION, 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.

Elsie Marlene Williams
Notary Public

SEAL

My Commission Expires:
ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF PHILADELPHIA)

On this 24th day of July, 1979, before me personally appeared Charles P. Turnburke, to me personally known, by me duly sworn, says that he is Vice President of PICKENS 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.

Elsie Marlene Williams
Notary Public

SEAL

My Commission Expires:
ELSIE MARLENE WILLIAMS
Notary Public, Phila., Phila. Co.
My Commission Expires Oct. 18, 1982

STATE OF PENNSYLVANIA

)

) ss:

COUNTY OF DELAWARE

)

On this 24th day of July, 1979, before me personally appeared Frank P. Slattery, Jr., to me personally known, who, being by me duly sworn, says that he is President of LEASE FINANCING CORPORATION, that one of the seals affixed to the foregoing instrument is the 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

My Commission Expires:

NANCY L. SPEAKER, Notary Public
Radnor Twp., Delaware Co.
My Commission Expires June 4, 1983

EXHIBIT A

L-9

Except as hereinabove in this § 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

Subject to the following paragraph, the Lessee will, at all times prior to the return of the Equipment to the Lessor, at its own expense, cause to be carried and maintained (i) all-risk, physical loss and damage insurance (x) in respect of the Units while such Units are not on the lines owned by either Lessee, directly or indirectly, (collectively, "Lessee's lines") in an amount at least equal to the Casualty Value of such Units at the time subject hereto, and (y) in respect of the Units and boxcars owned by other than Lessor while such Units and boxcars are stored on Lessee's lines, in an amount no less than the amounts which are in effect on the date of execution of this Lease and (ii) public liability insurance in amounts (but not less than \$3,000,000 per accident) and against risks customarily insured against by others in the Lessee's industry in respect of similar equipment. All such insurance shall be in such form and written by such companies as may be reasonably acceptable to the Lessor and Lender. All policies evidencing such insurance shall contain an agreement by the insurers that such policies shall not be cancelled or the amount of coverage thereof or persons covered thereunder adversely changed without at least 30 days' prior written notice to the Lessor and the Lender by the insurers or the insurers' authorized representative, as the case may be. All policies shall name as additional assureds (as their interests may appear) and as sole loss payees (in the case of all-risk physical loss and damage insurance in respect to the Units), the Lessor and Lender, so long as the indebtedness, if any, evidenced by the Security Documents shall not have been paid in full, and thereafter to the Lessor and the Lessee as their interests may appear. If the Lessor shall receive any insurance proceeds or condemnation payments in respect of a Unit suffering a Casualty Occurrence, the Lessor shall, subject to the Lessee having made payment of the Casualty Value in respect of such Unit and provided that no Event of Default (or other event which, after notice or lapse of time or both, would become an Event of Default) shall have occurred and be continuing, pay such proceeds or condemnation payments to the Lessee up to an amount equal to the Casualty Value with respect to a Unit paid by the Lessee and any balance of such proceeds or condemnation payments shall remain the property of the Lessor. All insurance proceeds received by the Lessor in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect of which such proceeds were paid has been fully repaired, and provided that no Event of Default (or other event which, after notice or lapse of time or both, would become an Event of Default) shall have occurred and be continuing.

Anything to the contrary contained in the foregoing paragraph

EXHIBIT A continued

notwithstanding, the Lessee shall have the right to assume the risk of loss or damage to the Equipment when it is not located on the Lessee's lines which would otherwise have been covered under the all-risk physical loss and damage insurance otherwise required under the preceding paragraph (but not the risk covered by public liability insurance or other risks customarily insured against by others in Lessee's industry) so long as Lessee's net worth shall be at least \$6,000,000 and during any twelve-month period Lessee shall not have incurred a cash loss of earnings (net loss less non-cash items such as depreciation included in the computation of such net loss) in excess of \$1,000,000, such computations to be made in