

8246-A  
See Assignment of  
Sublease attached hereto

STATE OF CALIFORNIA )  
COUNTY OF SAN FRANCISCO ) SS

On this 22nd day of March, 19 76, before me personally appeared William J. Texido to me personally known, who being by me duly sworn says that he is President of SSI Rail Corp., 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.

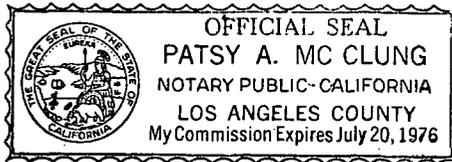


Terri J. Stubblefield  
Notary Public

FORM OF ACKNOWLEDGMENT

State of California }  
County of Los Angeles } ss.

On this 19th day of March, 1976, before me personally appeared Donald V. Black to me personally known, who being by me duly sworn, says that he is Authorized Agent of MCDONNELL DOUGLAS FINANCE 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.



McDonnell Douglas Finance Corporation  
(S E A L)

Patsy A. McClung  
Notary Public

My Commission Expires: July 20, 1976

**INDIVIDUAL EQUIPMENT RECORD**

IER NO. 144-001

Dated as of March 16, 1976 to that Equipment Lease Agreement dated as of March 16, 1976

**LESSOR:** McDonnell Douglas Finance Corporation  
 3855 Lakewood Boulevard  
 Long Beach, California 90846  
 Attention: 18A-34

**LESSEE:** SSI Rail Corp.  
 Two Embarcadero Center  
 San Francisco, California 94111  
 Attention: President

**LOCATION OF EQUIPMENT:** Continental United States

**ACCEPTANCE DATE:** Various

New <input checked="" type="checkbox"/>	Purchase Order	Term: <u>15</u> year(s) - month(s)	Security Deposit:
Used _____	No. _____	Commencing <u>April 9, 1976</u>	\$ <u>0</u>

Sales, Use and Other Taxes \$ <u>none</u>	
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RENTAL: Payment of the 1st through the 40th rental installments shall commence on July 9, 1976 and shall continue quarterly thereafter on the 9th day of each October, January, April and July, with each such rental installment to be in the amount of \$ 46,252.49. Payment of the 41st through 60th rental installments shall commence on July 9, 1986 and shall continue quarterly thereafter on the 9th day of each October, January, April and July, with each such rental installment to be in the amount of \$ 36,464.87.

EQUIPMENT DESCRIPTION AND SERIAL NO.(S) (SEE ATTACHED INVOICES):		
Equipment Description	Serial No.	Equipment Cost
50 - 50 ft. 6 in. boxcars with A. A. R. Mechanical Designation XM - B209	7090 thru 7099 4100 thru 4139	\$1,492,015.90

**STIPULATED LOSS VALUES**

IMMEDIATELY

IMMEDIATELY

AFTER PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	AFTER PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
1	102.6	33	64.5		
2	103.8	34	62.5		
3	104.8	35	60.4		
4	105.6	36	58.4		
5	106.3	37	56.3		
6	106.8	38	54.1		
7	107.3	39	52.0		
8	107.7	40	49.8		
9	107.9	41	48.3		
10	108.0	42	46.8		
11	108.1	43	45.3		
12	108.0	44	43.8		
13	100.8	45	42.3		
14	100.6	46	40.8		
15	100.2	47	39.3		
16	99.8	48	37.8		
17	99.3	49	36.4		
18	98.6	50	34.9		
19	97.9	51	33.4		
20	97.1	52	32.0		
21	89.1	53	30.5		
22	88.2	54	29.1		
23	87.1	55	27.6		
24	85.9	56	26.2		
25	84.6	57	24.9		
26	83.3	58	23.5		
27	81.9	59	22.2		
28	80.3	60	20.0		
29	71.7	and thereafter			
30	70.0				
31	68.2				
32	66.4				

SPECIAL CONDITIONS:

The undersigned Lessor hereby leases to the undersigned Lessee, and the undersigned Lessee agrees to hire from Lessor the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order,
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee,
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee,

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

(5) That the equipment is new and unused, and that the equipment has been delivered to, is now in possession of and acceptable to Lessee.

The Lessee agrees to pay the rent set forth herein. The covenants, terms and conditions appearing in that certain Equipment Lease Agreement dated as of March 16, 1976 between the undersigned Lessor and Lessee, shall be deemed to be incorporated herein by reference. This Individual Equipment Record shall be governed by and construed in accordance with the laws of the State of California.

LESSOR:  
MCDONNELL DOUGLAS FINANCE CORPORATION

By: Ronald V. Bach

Title: \_\_\_\_\_

Attest: Thomas J. Luntz

LESSEE:  
SSI RAIL CORP.

By: Patricia B. [Signature]

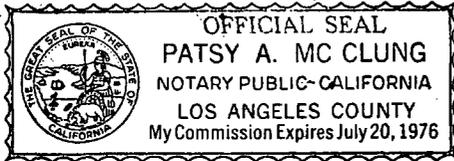
Title: Vice President

Attest: [Signature]

FORM OF ACKNOWLEDGMENT

State of California }  
County of Los Angeles } ss.

On this 19th day of March, 1976, before me personally appeared Donald V. Black to me personally known, who being by me duly sworn, says that he is Authorized Agent of MCDONNELL DOUGLAS FINANCE 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.



McDonnell Douglas Finance Corporation

(SEAL)

Patsy A. McClung  
Notary Public

My Commission Expires: July 20, 1976

STATE OF CALIFORNIA )  
COUNTY OF SAN FRANCISCO )      SS

On this 25th day of March, 1976, before me personally appeared Patrick B. McManus to me personally known, who being by me duly sworn says that he is Vice President of SSI Rail Corp., 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.



Terri J. Stubblefield  
Notary Public

LEASE ADDENDUM NO. 1

In connection with that certain Lease Agreement dated as of the date hereof (the "Lease") between MCDONNELL DOUGLAS FINANCE CORPORATION as Lessor (the "Lessor") and SSI RAIL CORP., as Lessee (the "Lessee") covering certain items of equipment ("Equipment") more fully described in the Individual Equipment Records ("IER") identified as Exhibit "A" thereto it is agreed that upon execution by the parties hereto, this Lease Addendum No. 1 shall constitute a part of said Lease.

(a) Renewal Option. Provided that the Lease has not been earlier terminated and the Lessee is not in default thereunder, the Lessee may by written notice delivered to the Lessor not less than 120 days prior to the end of the original term or any extended term of the Lease, as the case may be, elect to extend the term of the lease in respect of no fewer than the number of items of Equipment then under sublease by the Lessee to a third-party sublessee, for additional two-year periods commencing on the scheduled expiration of the original term or any extended term of the Lease, as the case may be, provided that no such extended term extends beyond April 8, 1995 at a "Fair Market Rental" payable in quarterly payments on the 9th day of each July, October and January in each year of such extended term.

(b) Purchase Option. Lessee is hereby granted an option, which option shall not be assignable to purchase AS-IS WHERE-IS no fewer than the number of items of Equipment covered by the Lease then under sublease by the Lessee to a third-party sublessee at the expiration of the term of each of said IER's to said Lease, for the then "Fair Market Value" of such items of Equipment.

The exercise of said option is conditioned upon: (a) performance of all of the terms and conditions of said Lease and all IER's thereto, and of all other agreements between Lessor and Lessee, at the time and in the manner required therein and no event which with due notice and/or lapse of time would constitute an event of default shall have occurred and be continuing under the Lease or any of the IER's executed pursuant to said Lease or any other such agreement; (b) Lessor's receipt of written notice of the election to exercise said option at least one hundred twenty days prior to the date upon which the original term of the IER covering such items of Equipment expires; and (c) payment to Lessor of said Fair Market Value price, as set forth below, together with all taxes on or measured by such purchase price.

The Fair Market Rental or the Fair Market Value, as the case may be, shall be that amount mutually agreed upon by Lessor and Lessee. Lessee's estimate of the Fair Market Rental or the Fair Market Value of the Equipment covered by the expiring IER referred to shall accompany the 120 days' notice set forth above; and one hundred twenty (120) days prior to the expiration of each subsequently expiring IER, Lessee shall send its reasonable estimate of the Fair Market Rental or the Fair Market Value of the Equipment covered by each such IER. If Lessor and Lessee are unable to agree upon the amount of the Fair Market Rental or the Fair Market Value of the Equipment within sixty (60) days after Lessor's receipt of the estimate thereof, then the Fair Market Rental or the Fair Market Value shall be determined by an appraiser selected by mutual agreement. If Lessor and Lessee are not able to agree upon an appraiser, or if the Fair Market Rental or the Fair Market Value is not so determined within ninety (90) days after Lessor's receipt of Lessee's notice of election to exercise the purchase options, the Fair Market Rental or the Fair Market Value shall be determined by American Appraisal Company. The Fair Market Rental or the Fair Market Value as finally determined shall bear interest for the period, if any, from the date of expiration of the IER to the date of payment, at the rate of 10% per annum and Lessee shall pay the cost of any appraisal should appraisal be necessary.

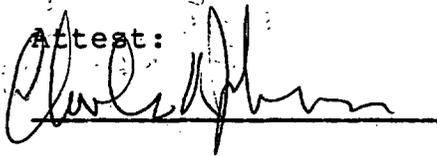
Unless Lessee has purchased the Equipment as set forth above, all the Equipment then leased shall be returned to Section 15 of the Lease.

Dated as of March 16, 1976.

Lessor:

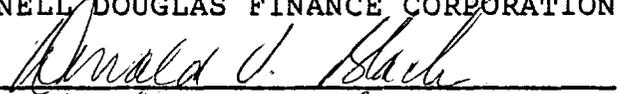
S E A L

Attest:



MCDONNELL DOUGLAS FINANCE CORPORATION

By:



Its:



Lessee:

S E A L

Attest:



SSI RAIL CORP

By:



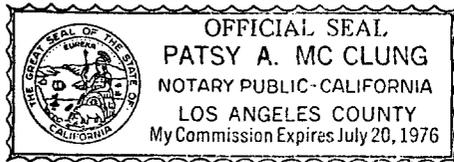
Its:



FORM OF ACKNOWLEDGMENT

State of California }  
County of Los Angeles } ss.

On this 19th day of March, 1976, before me personally appeared Donald V. Black to me personally known, who being by me duly sworn, says that he is Authorized Agent of MCDONNELL DOUGLAS FINANCE 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.



McDonnell Douglas Finance Corporation  
(S E A L)

Patsy A. McClung  
Notary Public

My Commission Expires: July 20, 1976

STATE OF CALIFORNIA )  
COUNTY OF SAN FRANCISCO )      ss

On this 22nd day of March, 19 76, before me personally appeared William J. Texido to me personally known, who being by me duly sworn says that he is President of SSI Rail Corp., 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.



*Terri J. Stubblefield*  
Notary Public

LEASE ADDENDUM NO. 2

In connection with that certain Lease Agreement dated as of March 16, 1976 (the "Lease") between MCDONNELL DOUGLAS FINANCE CORPORATION as Lessor (the "Lessor") and SSI RAIL CORP. as Lessee (the "Lessee") covering certain items of equipment ("Equipment") more fully described in the Individual Equipment Records ("IER") identified as Exhibit "A" thereto, it is agreed that, upon execution by the parties hereto, this Lease Addendum No. 2 shall constitute a part of said Lease.

If for any taxable year of Lessor (or portion thereof) during which the Lease is in effect, Lessor (such term for the purpose of this Lease Addendum No. 2 meaning Lessor and the corporations with which Lessor consolidates its United States federal income tax returns) shall (i) lose any portion of the full 10% investment tax credit allowed by Section 38 of the Internal Revenue Code of 1954 as amended to the date hereof (the "Code") for "new Section 38 property" with respect to the purchase price paid by Lessor for any items of Equipment (or, except as provided in clause (c) of this paragraph, would lose such portion but for Lessor's failure to have sufficient liability for tax within the meaning of Section 46 of the Code against which to credit such portion for the taxable year of Lessor in which such item of Equipment is placed in service), and/or (ii) lose the benefit of a depreciation deduction with respect to the purchase price paid by Lessor for any item of Equipment depreciated over a period equal to twelve years to a net salvage value of 10% of the purchase price of such item of Equipment, computed initially under the double-declining balance method of depreciation provided in Section 167(b)(2) of the Code and then switching to the sum-of-the-years' digits method of depreciation provided by Section 167(b)(3) of the Code (or, except as provided in clause (c) of this paragraph, would lose the benefit of such deduction if Lessor had sufficient gross income in the taxable year of the loss of such deduction against which to apply such deduction), under any circumstances or for any reason whatsoever (including but not limited to the occurrence of a change in or modification of the law, including a change in or promulgation of applicable Treasury regulations or the issuance of Internal Revenue Service rulings or determinations, the Lease being treated as other than a "true lease" for federal income tax purposes, or, in the case of the investment tax credit, any such Item of Equipment at any time not being treated as "new Section 38 property" within the meaning of Section 48(b) of the Code as in effect on the date hereof), the Lessee shall pay the Lessor, in addition to the rents and other amounts payable by Lessee to Lessor under the Lease, an amount which, after deduction of all taxes required to

be paid by Lessor in respect of the receipt thereof under the laws of the United States or any state, city or other political subdivision thereof or any foreign government (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of any other such taxes), in the reasonable opinion of the Lessor, will cause the net after-tax return on the Lessor's investment in the Equipment to be equal to the net after-tax return on such investment which the Lessor would have realized had the Lessor had the full tax benefit of all investment tax credit and all depreciation deductions described in this paragraph (after taking into account the amount of any interest or penalties which may be assessed against Lessor in connection with the failure to obtain or have the right to claim, or the disallowance of, such investment tax credit or such depreciation deduction). The intent of this indemnity is to provide Lessor the same after-tax rate of return as if no such tax benefits had been lost or disallowed. Such amount shall be payable concurrently with the rent required to be paid by Lessee under the Lease and shall commence on the rent payment date next succeeding the disallowance of the Lessor's right to claim or to have the benefit of the investment tax credit or depreciation deductions contemplated by this paragraph. In the event any amount is required to be paid pursuant to this paragraph, the Stipulated Loss Value for the Equipment shall be revised as necessary to preserve the net after-tax return on the Lessor's investment in the Equipment as provided herein above, provided that the Lessee shall not be required to make any of the foregoing indemnity payments to the extent the loss of the investment tax credit and/or depreciation deduction is the direct result of: (a) any event whereby Lessee is required by the terms of the Lease to pay, and shall have paid in full the Stipulated Loss Value for such item of Equipment; (b) at any time while no Event of Default is continuing Lessor shall voluntarily transfer legal title in such Equipment to a third party; (c) the failure of Lessor to have sufficient liability for tax within the meaning of Section 46 of the Code against which to credit such investment credit for such item of Equipment or to have sufficient gross income within the meaning of Section 61 of the Code against which to apply such depreciation deduction (but only if and to the extent that such investment credit or depreciation deduction would not be lost if Lessor had sufficient liability for tax or sufficient gross income); and (d) the failure of Lessor to claim the investment tax credit and/or depreciation deduction in its income tax returns for the appropriate year or to follow the proper procedure in claiming such investment credit and/or depreciation deduction in such tax returns for such year, if such failure to claim or follow proper procedure shall preclude Lessor from claiming the investment credit and/or depreciation.

Except as otherwise provided in the immediate following paragraph, the liability of the Lessee to make any indemnity payments hereunder shall become fixed at the time Lessor makes payment of the tax attributable to the portion of the investment credit or depreciation deduction lost, or if Lessor is not required to make payment of tax with respect to the portion of the investment tax credit or deduction lost, the date on which Lessor files its tax return for the taxable year in which such loss occurs, and shall be due and payable as provided in the immediate preceding paragraph. Lessee shall pay interest at the maximum rate permitted by law on any indemnity payment not made when due.

In the event a claim shall be made by the Internal Revenue Service which, if successful, would result in the loss of the investment tax credit or depreciation deduction under circumstances which would require the Lessee to indemnify the Lessor for such loss, the Lessor hereby agrees to take such action in connection with contesting such claim as the Lessee shall reasonably request in writing, provided that: (i) within 30 days after notice of such claim by Lessor, the Lessee shall request that such claim be contested; (ii) Lessor, at its option, may forego any and all administrative appeals, proceedings, and conferences with the Internal Revenue Service and may, at its sole option, either pay the tax claimed and sue for a refund in the appropriate forum selected by Lessor or contest such claims in the United States Tax Court, considering however, in good faith such request as the Lessee shall make concerning the appropriate forum in which to proceed; (iii) prior to taking such action, the Lessee shall have furnished the Lessor with an opinion of independent tax counsel to the effect that a meritorious defense exists to such claim; (iv) Lessee shall have indemnified Lessor in a manner satisfactory to it for any liability, loss, or expenses which Lessor may incur as the result of contesting such claim; and (v) in the event Lessor shall pay the tax claimed and then seek a refund and the final determination of such claim shall be adverse to Lessor, Lessee shall pay Lessor interest at the rate of 10% per annum on the amount of the tax paid attributable to the portion of the investment credit or depreciation deduction lost, computed from the day of payment of such tax to the date Lessee shall reimburse Lessor for the payment of such tax. In the case of any such claim by the Internal Revenue Service referred to above, Lessor agrees to promptly notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed for at least 30 days after the giving of such notice and agrees to cooperate with Lessee in good faith in order to contest effectively any such claim. If any such claim shall be made by the Internal Revenue Service and Lessee shall have reasonably requested Lessor to contest such

claim and shall have duly complied with all provisions of this paragraph, the Lessee's liability with respect to the investment credit or depreciation deduction lost as a consequence of such claim shall become fixed upon final determination of the liability of Lessor for the tax claimed and after giving effect to any refund obtained; but in all other cases the liability of Lessee shall become fixed and payable as provided in the immediate preceding paragraph.

The indemnification provided for herein shall survive the expiration or other termination of the Lease.

Dated as of March 16, 1976

Lessee:

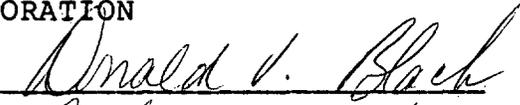
SSI RAIL CORP.

By: 

Its: President

Lessor:

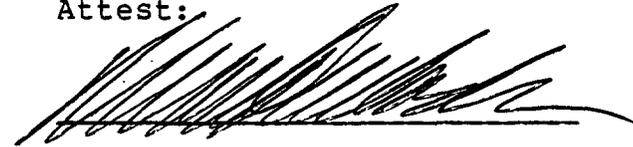
MCDONNELL DOUGLAS FINANCE CORPORATION

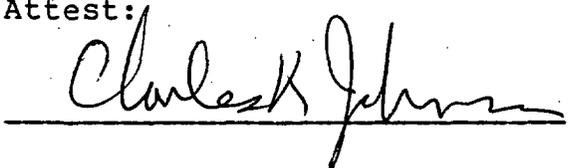
By: 

Its: Authorized Agent

S E A L

S E A L

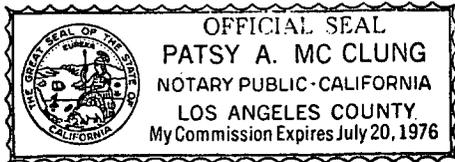
Attest: 

Attest: 

FORM OF ACKNOWLEDGMENT

State of California }  
County of Los Angeles } ss.

On this 19th day of March, 1976, before me personally appeared Donald V. Black to me personally known, who being by me duly sworn, says that he is Authorized Agent of MCDONNELL DOUGLAS FINANCE 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.



Patsy A. McClung  
Notary Public

McDonnell Douglas Finance Corporation  
(S E A L)

My Commission Expires: July 20, 1976

STATE OF CALIFORNIA )  
COUNTY OF SAN FRANCISCO )      ss

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*Terri J. Stubblefield*  
Notary Public

LEASE ADDENDUM NO. 3

In connection with that certain Lease Agreement dated as of March 16, 1976 (the "Lease") between McDonnell Douglas Finance Corporation as Lessor (the "Lessor") and SSI Rail Corp. as Lessee (the "Lessee") covering certain items of equipment ("Equipment") more fully described in the Individual Equipment Records ("IER") identified as Exhibit "A" thereto, it is agreed that, upon execution by the parties hereto, this Lease Addendum No. 3 shall constitute a part of said Lease.

If Lessor (such term for the purpose of this Lease Addendum No. 3 meaning Lessor and the corporations with which Lessor consolidates its United States Federal income tax returns) shall not be entitled to treat all amounts of gross income and deductions in respect of the Equipment as income from sources within the United States for any taxable year (or portion thereof) during which the Lease is in effect, Lessee shall pay to Lessor an amount (for the purpose of this Lease Addendum No. 3 called the "FSI Amount") which, after deduction of all fees, taxes and/or other charges required to be paid by Lessor in respect of the receipt of such amount under the laws of any Federal, state or local government or taxing authority in the United States, or under the laws of any foreign country or any subdivision or any taxing authority thereof and after taking into account any tax benefits realized by Lessor as the result of deducting such fees, taxes and/or other charges in computing its liability for any fees, taxes and/or charges on, based on, or measured by the net income of Lessor, shall be equal to the sum of (i) the excess of the credits against tax under Section 901 of the Internal Revenue Code of 1954 as amended to the date hereof (the "Code") which would have been allowed to Lessor with respect to such year and all prior years if such income had been considered as income from sources within the United States over such credits actually allowed to Lessor with respect to such years and (ii) the amount of any interest, penalties or additions to tax because of underpayment of tax or estimated tax (excluding any such interest, penalties or additions, to tax imposed as the result of action or failure to take action by Lessor) which may be payable to the United States government by Lessor in connection with such foreign tax credits lost. Except as otherwise provided in the immediate following paragraph, the liability of the Lessee to make any indemnity payments hereunder shall become fixed at the time Lessor incurs additional tax liability because Lessor is not entitled to treat all amounts of gross income and deductions in respect of the Equipment as income from sources within the United States or, if Lessor is not required to make payment of tax with respect to the portion of the foreign tax credit or deduction lost, the date on which Lessor files its tax return for the taxable year in which such loss occurs, and shall be

due and payable within 15 days after receipt by Lessee of written notice from Lessor as to the fixing of such liability. Lessee shall pay interest at the maximum rate permitted by law on any indemnity payment not made when due.

In the event a claim shall be made by the Internal Revenue Service which, if successful, would result in the loss of foreign tax credits under circumstances which would require the Lessee to pay the Lessor the FSI Amount, the Lessor hereby agrees to take such action in connection with contesting such claim as the Lessee shall reasonably request in writing, provided that: (i) within 30 days after notice of such claim by Lessor, the Lessee shall request that such claim be contested; (ii) Lessor, at its option, may forego any and all administrative appeals, proceedings, and conferences with the Internal Revenue Service and may, at its sole option, either pay the tax claimed and sue for a refund in the appropriate forum selected by Lessor or contest such claim in the United States Tax Court, considering, however, in good faith such request as the Lessee shall make concerning the appropriate forum in which to proceed; (iii) prior to taking such action, the Lessee shall have furnished the Lessor with an opinion of independent tax counsel to the effect that a meritorious defense exists to such claim; (iv) Lessee shall have indemnified Lessor in a manner satisfactory to it for any liability, loss, or expenses which Lessor may incur as the result of contesting such claim; and (v) in the event Lessor shall pay the tax claimed and then seek a refund and the final determination of such claim shall be adverse to Lessor, Lessee shall pay Lessor interest at the rate of 10% per annum on the amount of the tax paid attributable to the portion of the foreign tax credits lost, computed from the day of payment of such tax to the date Lessee shall reimburse Lessor for the payment of such tax. In the case of any such claim by the Internal Revenue Service referred to above, Lessor agrees to promptly notify the Lessee in writing of such claim and agrees not to make payment of the tax claimed for at least 30 days after the giving of such notice and agrees to cooperate with Lessee in good faith in order to contest effectively any such claim. If any such claim shall be made by the Internal Revenue Service and Lessee shall have reasonably requested Lessor to contest such claim and shall have duly complied with all provisions of this paragraph, the Lessee's liability with respect to the foreign tax credit lost as a consequence of such claim shall become fixed upon final determination of the liability of Lessor for the tax claimed and after giving effect to any refund obtained; but in all other cases the liability of Lessee shall become fixed and payable as provided in the immediate preceding paragraph.

The indemnification provided for herein shall survive the expiration or other termination of the Lease.

Dated as of March 16, 1976.

MCDONNELL DOUGLAS  
FINANCE CORPORATION

By Ronald V. Beach  
Its Authorized Agent

SSI RAIL CORP.

By [Signature]  
Its President

S E A L

Attest: [Signature]

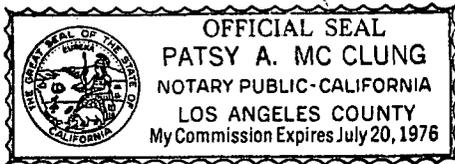
S E A L

Attest: [Signature]

FORM OF ACKNOWLEDGMENT

State of California }  
County of Los Angeles } ss.

On this 19th day of March, 1976, before me personally appeared Donald V. Black to me personally known, who being by me duly sworn, says that he is Authorized Agent of MCDONNELL DOUGLAS FINANCE 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.



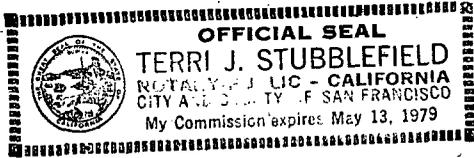
Patsy A. McClung  
Notary Public

~~McDonnell Douglas Finance Corporation~~

My Commission Expires: July 20, 1976

STATE OF CALIFORNIA            )  
COUNTY OF SAN FRANCISCO    )        SS

On this 22nd day of March, 19 76, before me personally appeared William J. Texido to me personally known, who being by me duly sworn says that he is President of SSI Rail Corp., 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.



*Terri J. Stubblefield*  
Notary Public

AMENDMENT NO. 1 TO LEASE AGREEMENT

THIS AMENDMENT NO. 1, entered into as of this 16th day of March, 1976, by and between MCDONNELL DOUGLAS FINANCE CORPORATION, a Delaware corporation, having an office in Long Beach, California (hereinafter called "Lessor"), and SSI RAIL CORP., a Delaware corporation, having its principal place of business in San Francisco, California (hereinafter called "Lessee");

W I T N E S S E T H:

WHEREAS, the parties hereto have simultaneously herewith entered into an Equipment Lease Agreement, dated as of March 16, 1976 (hereinafter called the "Lease"), providing for the lease by Lessor to Lessee and the hire by Lessee of the units of equipment described therein; and

WHEREAS, the parties hereto now desire to amend said Lease to the extent hereinafter set forth;

NOW, THEREFORE, as a further consideration of the mutual covenants contained in the Lease, the parties hereto agree as follows:

1. Section 5 is hereby amended by deleting the words "without notice to or" appearing at the second line of the first sentence of said Section 5 and inserting the following:

"upon 10 days written notice to and with or without"

2. (a) Section 6 is hereby amended by striking the third sentence and inserting the following in lieu thereof:

"Lessee shall cause each unit of equipment to be kept numbered with the road numbers as set forth in the IER with respect thereto 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 unit of equipment in letters not less than one inch in height as follows:

McDonnell Douglas Finance Corporation,  
Owner and Lessor under a Lease Agreement  
filed and recorded with The Interstate  
Commerce Commission pursuant to Section  
20(c) of the Interstate Commerce Act."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such unit of equipment, its rights under this lease and the rights of any assignee under Section 18 hereof. The Lessee will not place any such unit of equipment 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. The Lessee will not change the road number of any unit of equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the 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 equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the equipment to be lettered with the names or initials or other insignia customarily used by Lessee, its affiliates or its sublessees on railroad equipment used by them of the same or a similar type for convenience of

identification. Lessee shall indemnify Lessor, and any assignee under Section 18 hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the equipment with such name, initials or insignia."

(b) Section 6 is hereby further amended by adding the following paragraph to said Section:

"The equipment shall at all times be used, maintained and operated in a careful and proper manner and in compliance with:

- (a) all applicable laws, ordinances, rules, requirements and regulations including, without limitation the rules of the United States Department of Transportation and the Interstate Commerce Commission and the current Interchange Rules, or supplements thereto, of the Mechanical Division, Association of American Railroads.
- (b) all manufacturer's instructions and warranty requirements.

If Lessee's compliance with either (a) or (b) above requires changes or additions to be made on or to the equipment, such changes or additions shall be made by Lessee at its own expense."

3. Section 7 is hereby amended by striking the first two sentences thereof and inserting the following in lieu thereof:

"The Lessee, at its own cost and expense, may furnish additions, modifications and improvements to the units of equipment during the term of this lease provided that such additions, modifications and improvements are readily removable without causing material damage to the units of equipment. So long as an Event of Default has not occurred and is continuing the additions, modifications and improvements made by the Lessee under the preceding sentence shall be owned by the Lessee. Upon an Event of Default all such additions, modifications and improvements shall become the property of Lessor, shall be free and clear of all encumbrances, and for which Lessee shall provide a bill of sale to Lessor."

4. (a) Section 9 is hereby amended by deleting the words "Prior to the execution of the IER" appearing at the first line of said Section and inserting in lieu thereof the following:

"Upon acceptance of each unit of equipment as evidenced by Lessee's execution of a Certificate of Acceptance therefor,"

(b) Section 9 is hereby further amended by deleting the words "the IER" appearing at the third line of said Section and inserting in lieu thereof the words:

"such Certificate of Acceptance"

(c) Section 9 is hereby further amended by inserting following the words "Upon execution of the IER" appearing at the fifth line of said Section the words:

"and the subsequent acceptance of each item of equipment"

(d) Section 9 is hereby further amended by inserting at line 6 following the word "specifications" the following:

", shall be deemed to conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all applicable interchange requirements of the Association of American Railroads"

5. Section 11 is hereby amended by deleting the words "Any recovery under such a warranty shall be made payable to Lessor to the extent of the "Stipulated Loss Value"; for" appearing at line 5 of the second paragraph of said Section 11 and inserting in lieu thereof the following:

"So long as no Event of Default has occurred and is continuing any recovery under such a warranty shall be made payable to Lessee to be applied to the repair of the Equipment. Upon the occurrence of an Event of Default any recovery under such a warranty

shall be made payable to Lessor to the extent of the "Stipulated Loss Value"; for "

6. (a) Section 12 is hereby amended by striking the entire Section and inserting in lieu thereof the following:

"The Lessee will, at its own expense, cause insurance to be carried and maintained with respect to all units of equipment accepted, from the date of such acceptance, in amounts and against risks customarily insured against by railroad companies on similar equipment, and against comparable risks insured against by Lessee on other equipment owned by it; provided, that public liability (including, without limitation, bodily injury) and property damage insurance shall be carried and maintained by Lessee at all times while this lease is in effect in the amount of not less than \$5,000,000 with Lessor described as an additional insured on the policy or policies covering such risks; and provided further, that physical damage coverage shall be carried and maintained by Lessee or its sublessee at all times during the term of this lease when the units of equipment are operated on the railroad lines of the Lessee, or its sublessee, and shall be in an amount not less than \$300,000 per occurrence on all units of equipment accepted by Lessee with the Lessor named as the 'Loss Payee' on the policy or policies covering such risk. All such insurance shall be in the form and with companies approved by Lessor and shall provide that it may not be altered or cancelled without thirty (30) days prior written notice to Lessor of the insurer's intent to so cancel. Proceeds of all insurance shall be payable first to Lessor to the extent of its liability or interest, as the case may be. Lessee will furnish from time to time such evidence of insurability and existing insurance coverage as Lessor may request, and without limiting the generality of the foregoing, Lessee will furnish Lessor, prior to any disbursements by Lessor for the purchase of units of equipment hereunder, and thereafter at intervals of not more than twelve (12) calendar months, a detailed report signed by an independent

insurance broker with respect to the insurance carried on the units of equipment together with the opinion of such broker as to its compliance with the provisions of this Section 12. Said insurance shall not be excess over other coverage but shall be primary insurance up to and including stated policy limits. The Lessee does hereby constitute, effective at any time after the occurrence of an Event of Default, the Lessor as Lessee's attorney-in-fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts for loss or damage or return premium under any insurance policy issued on said equipment.

7. (a) Section 13 is hereby amended by adding following the word "hereunder" at line 5 of paragraph (c) the words:

"with respect to such Event of Loss"

(b) Section 13 is hereby further amended by deleting the words "such damage" appearing at line 2 of paragraph (d) and inserting the following in lieu thereof:

"any such damage in excess of \$5,000 with respect to a unit of equipment"

8. Section 15 is hereby amended by striking the last sentence and inserting in place thereof the following:

"Return of equipment. At the expiration or earlier termination of this lease or any renewal thereof (hereinafter collectively the "Redelivery Date"), Lessee will surrender possession of the equipment to Lessor in good order and repair, ordinary wear and tear excepted, by delivering the same to Lessor at such location and on such tracks as Lessor shall reasonably designate, or if no other such designation be made, at Long Beach, California. If so requested by Lessor, such equipment shall be, at Lessee's expense, suitably prepared for shipment by a common carrier chosen by Lessor. Lessee shall reimburse the Lessor for any expenditure necessary to place the equipment in the condition required by this Section upon Redelivery.

For each day elapsed from the Redelivery Date to and including the date upon which any unit of equipment is returned pursuant to the provisions of this Section, Lessee agrees to pay to Lessor rent at the then fair market rental value determined pursuant to the procedures set forth in Section 16(c)(2) hereof.

All equipment returned to Lessor after the Redelivery Date shall be in lots of not less than 15 units of equipment, provided that if fewer than 15 units of equipment remain unreturned, that such unreturned units of equipment shall be returned as a lot.

Lessee will use its best efforts to return all units of equipment to the Lessor as soon as practicable after the end of the term of this lease; provided, however, that in the event any unit of equipment is not returned within ninety (90) days after the Redelivery Date, then the Lessee shall, within fifteen (15) days, purchase such unit of equipment from the Lessor for the higher of the then Fair Market Sales Value determined pursuant to the procedures set out in Section 16(c)(2), or the Stipulated Loss Value for such unit of equipment, whereupon the Lessor shall transfer the unit of equipment to the Lessee on an "as-is," "where-is" basis without representation or warranty, express or implied except that the unit of equipment shall be free of liens or encumbrances resulting from acts of or claims against the Lessor not contemplated by this lease.

The Lessee will not, without the Lessor's prior written consent, cause the equipment to be used beyond the term of this lease except as necessary to have the equipment unloaded and redelivered to the Lessor. Any such use to which the Lessor gives consent shall constitute an extension of this lease terminable by either party on thirty (30) days written notice, unless the parties shall otherwise expressly agree in writing."

9. (a) Section 16(a) is hereby amended by renumbering paragraph (a)(6) as paragraph (a)(7) and inserting the following paragraphs after paragraph (a)(5) thereof:

"(6) Default shall be made in the observance or performance of any of the covenants, conditions and agreements of the guarantor or Lessee under the Guarantee Agreement dated as of March 16, 1976, among ITEL Corporation, as Guarantor, Lessee and Lessor, and"

(b) Section 16 is hereby further amended by adding a new subsection (e) as follows:

"(e) If the Lessor or any assignee of Lessor shall terminate this lease pursuant to Section 16 hereof, the Lessee shall forthwith deliver possession of the equipment to the Lessor. For the purpose of delivering possession of any unit of equipment to the Lessor as above required, the Lessee at its own cost, expense and risk (except as hereinafter stated) shall:

- (i) Forthwith place such equipment in such reasonable storage place on such tracks as the Lessor may designate or, in the absence of such designation, as the Lessee may select;
- (ii) Permit the Lessor to store such equipment in such reasonable storage place on such tracks as Lessor may designate for a period not exceeding 180 days at the risk of the Lessee."

10. Section 17 is hereby amended by adding the following paragraph to said Section 17:

"Lessee shall not sublet or otherwise relinquish possession of the equipment or any part thereof; provided, however, that Lessee may sublease the equipment or any part thereof under subleases which have terms commencing on the date shown on the IER applicable to such equipment and terminating not later than March 31, 1991. Any such sublessee shall acknowledge in a form satisfactory to Lessor that such sublease and the sublessee's rights thereunder are and shall be subject and subordinate to the title, interests, rights, privileges and remedies of the Lessor under the lease and nothing contained in such sublease shall impair the rights of Lessor under the lease. Full legal title to the equipment shall at all times remain vested in Lessor to the exclusion of Lessee or any sublessee.

Simultaneously with the execution and delivery by Lessee of each such sublease permitted hereunder Lessee shall furnish Lessor an assignment of lessee's right, title and interest in and to such sublease

together with the consent of the sublessee thereto all in form and substance satisfactory to Lessor and a true copy of such sublease. So long as Lessee shall not be in default under this lease, Lessee shall be entitled to the possession, use and quiet enjoyment of the equipment in accordance with the terms of this lease."

11. Section 18 is hereby amended by inserting the following after the last sentence of said Section:

"Until Lessor shall give notice of any such assignment, pledge or other transfer of this lease, Lessee shall not be bound by such assignment, pledge or other transfer."

12. (a) Section 22 is hereby amended by inserting the words "has attached or" directly following the words "of any type," appearing at line 6.

(b) Section 22 is hereby further amended by striking the period at the end of the Section and adding the following:

", (vii) the execution and delivery of this lease, and all documents entered into in connection with this lease have been duly authorized by all necessary corporate or other action and, except under Section 20(c) of the Interstate Commerce Act, do not require the consent, approval or withholding of objection by any person, party or governmental agency and this Lease and such other documents constitute the legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their respective terms and if this lease is filed and recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act and deposited with the Registrar General of Canada pursuant to Section 86(1) of the Railway Act, and notice of such deposit has been given in the Canada Gazette pursuant to such Section 86(2) no other filing, recording or depositing or any notice thereof is necessary to protect the Lessor's title to the equipment in the United States of America and in Canada and (viii) the transactions

contemplated by this lease do not violate any applicable bulk sales acts or fraudulent conveyance statutes and all necessary compliance with any such applicable acts or statutes has occurred."

13. Section 23 is hereby amended by deleting said Section in its entirety and substituting the following in lieu thereof:

"Attorneys' fees. In the event of any action at law or suit in equity in relation to this Lease the successful party shall be entitled to its reasonable attorneys' fees."

14. (a) Section 25 is hereby amended by inserting following the words "inclusive hereof," the following: "(vii) and (viii),"

(b) Section 25 is hereby further amended by deleting the phrase "and (c) such other documents as Lessor may require," and inserting the following in place thereof:

"(c) an agreement satisfactory to Lessor executed and delivered by ITEL Corporation and SSI Rail Corp. providing for the guarantee of this lease, and (d) such other documents as Lessor may require."

15. Section 27 is hereby amended by striking the entire Section and inserting, in place thereof, the following:

"The Lessee agrees and covenants that prior to the delivery and acceptance of the first unit of equipment, Lessee will, at its sole expense, cause this lease to be duly filed, registered or recorded in conformity with Section 20(c) of the Interstate Commerce Act and be deposited with the Registrar General of Canada in accordance with Section 86(2) of the Railway Act, or other applicable statutory authority and in such other places within or without the United States required by law or as Lessor may reasonably request and will furnish the Lessor proof of such filing, registration or recordation.

Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, re-register, or re-record wherever and whenever required) any and all further instruments required by law or reasonably requested by Lessor, for the purpose of carrying out the intention of this lease, and in connection with any such action, will deliver to Lessor proof of such filings and an opinion of Lessee's counsel that such action has been properly taken. Lessee will pay all costs, charges and expenses incident to any such filing, re-filing, registering, recording, re-recording of any such instruments or incident to the taking of such action."

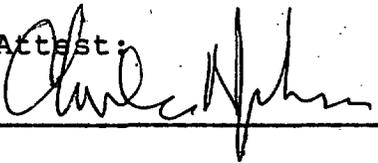
IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed as of the date first above written by their officers or agents thereunto duly authorized.

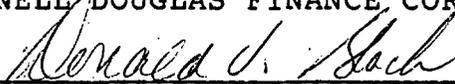
Lessor:

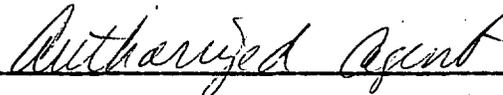
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MCDONNELL DOUGLAS FINANCE CORPORATION

Attest:



By 

Its 

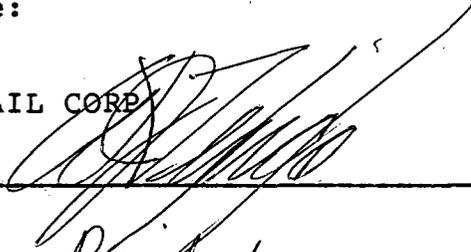
Lessee:

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SSI RAIL CORP

Attest:



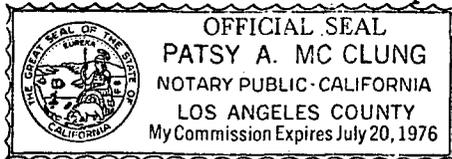
By 

Its President

FORM OF ACKNOWLEDGMENT

State of California }  
County of Los Angeles } ss.

On this 19th day of March, 1976, before me personally appeared Donald V. Black to me personally known, who being by me duly sworn, says that he is Authorized Agent of MCDONNELL DOUGLAS FINANCE 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.



McDonnell Douglas Finance Corporation  
(S E A L)

Patsy A. McClung  
Notary Public

My Commission Expires: July 20, 1976

STATE OF CALIFORNIA )  
COUNTY OF SAN FRANCISCO )      ss

On this 22nd day of March, 19 76, before me personally appeared William J. Texido to me personally known, who being by me duly sworn says that he is President of SSI Rail Corp., 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.



*Terri J. Stubblefield*  
Notary Public

RECORDATION NO. 8246-4 Filed & Recorded

MAR 26 1976 2 20 PM

ASSIGNMENT OF SUBLEASE  
INTERSTATE COMMERCE COMMISSION

This Assignment of Sublease dated as of March 16, 1976, between SSI Rail Corp., a Delaware corporation (hereinafter called the "Assignor") and McDonnell Douglas Finance Corporation, a Delaware corporation (hereinafter called the "Assignee").

Assignee and Assignor have entered into an Equipment Lease Agreement dated as of March 16, 1976, as amended and supplemented to the date hereof (hereinafter referred to as the "Lease") providing for the lease by Assignee to Assignor of one hundred (100) boxcars of the type and description set forth in the Lease (hereinafter collectively called the "Boxcars");

Assignor has entered into a Lease Agreement dated as of December 10, 1975 (hereinafter referred to as the "Sublease"), with Vermont Railway, Inc. (hereinafter referred to as the "Sublessee") providing, among other things, for the sublease by Assignor to Sublessee of forty (40) of the Boxcars identified in schedules to the Sublease and bearing the identification numbers set forth in Schedule I attached hereto and made a part hereof (hereinafter referred to as the "Subleased Boxcars"); and

As security for the prompt payment of all amounts due Assignee under the Lease and for the performance of Assignor's agreements, covenants and obligations under the Lease, Assignee has required Assignor to assign its rights under the Sublease with respect to the Subleased Boxcars.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained the parties hereto agree as follows:

FOR VALUE RECEIVED, Assignor hereby assigns, transfers, mortgages and pledges to Assignee and grants to Assignee a security interest in, Assignor's right, title and interest in and to the Sublease as and to the extent that the same relate to the Subleased Boxcars, all rights, powers and authorities created, granted or conferred upon, in or to the Assignor therein as and to the extent that the same relate to the Subleased Boxcars and to all rentals and other moneys payable to Assignor under the above described Sublease and all claims for damages arising out of any breach of the Sublease as and to the extent that the same relate to the Subleased Boxcars; provided that until an Event of Default shall have occurred and be continuing under the Lease referred to below, Assignor may enjoy and exercise all such rights, powers and interests and may receive and retain all rentals and other moneys payable to Assignor under such Sublease; and provided further that Assignor hereby covenants and agrees that it will not, without the prior written consent of Assignee, amend, modify or otherwise change any term of the Sublease or take any other action in connection therewith which would have the effect of impairing the value of Assignee's interest therein or rights thereunder.

It is expressly agreed that, anything herein contained to the contrary notwithstanding, the Assignor shall remain

liable under the Sublease to perform all of the obligations assumed by it thereunder and the Assignee shall have no obligation or liability under the Sublease by reason of or arising out of this Assignment, nor shall the Assignee be required or obligated in any manner to perform or fulfill any obligations of the Assignor under or pursuant to the Sublease or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received, or present or file any claim, or take any other payment received, or present or file any claim, or take any other action to collect or enforce the payment of any amounts which may have been assigned or to which it may be entitled, hereunder at any time or times.

The Assignor hereby ratifies and confirms the Sublease and hereby warrants and represents that (i) the Sublease is in full force and effect and the Assignor is not in default thereunder; (ii) the copy of the Sublease heretofore delivered to the Assignee by the Assignor is in the identical form of the copy thereof which was executed by the parties thereto; (iii) the Assignor has not granted a security interest in, assigned or pledged and hereby covenants that the Assignor will not grant a security interest in, assign or pledge, so long as this Assignment shall remain in effect, any of the Assignor's right, title or interest in the Sublease as and to the extent that the same relate to the Subleased Boxcars or the whole or any part of the moneys and claims hereby assigned, to anyone other than the Assignee, its successors or assigns; and (iv) the chief place of business of the Assignor and its respective

records concerning the Sublease and the moneys due and to become due thereunder are located at the address for the Assignor set forth in the Sublease.

The Assignor agrees that at any time and from time to time, upon written request of the Assignee, the Assignor will promptly and duly execute and deliver any and all instruments and documents as the Assignee may deem necessary or advisable rights and powers herein granted.

This Assignment is made to secure the obligations of Assignor to Assignee under the Lease.

The Assignor does hereby constitute, effective at any time after the Assignee has declared the Lease to be in default, the Assignee, its successors and assigns, the Assignor's true and lawful attorney, irrevocably, to demand, receive and enforce payments and to give receipts, releases, satisfactions for and to sue for money payable to the Assignor and this may be done either in the name of the Assignor or in the name of Assignee with the same force and effect as the Assignor could do if this Assignment had not been made. Payments received by the Assignor to which Assignee is entitled under this Assignment are received by Assignor as trustee for the Assignee, and will be immediately delivered in kind to Assignee without commingling. This Assignment shall remain in effect until its release and termination in writing by the Assignee.

This Assignment and the rights and obligations thereunder shall be construed in accordance with and governed by

the internal law of the State of California. This Assignment may not be changed orally but only by an instrument in writing signed by the person against whom the enforcement of any waiver, change, modification or discharge is sought. This Assignment is intended to be delivered in the State of California.

This Assignment shall be binding upon the Assignor, its successors and assigns and shall inure to the benefit of the Assignee, its successors and assigns. The obligations, covenants and agreements of the Assignor contained herein shall be enforceable by the Assignee notwithstanding any conflicting provisions of any instrument or agreement to which the Assignor is a party, and to the extent that any such provisions exist, they shall be deemed to have been waived, as far as the Assignee is concerned to the extent of any such conflict.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Assignment of Sublease as of the date first above written.

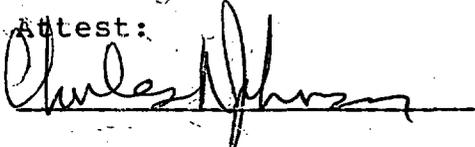
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Attest:



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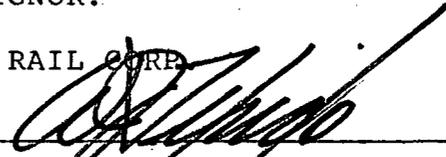
Attest:



ASSIGNOR:

SSI RAIL CORP

By:



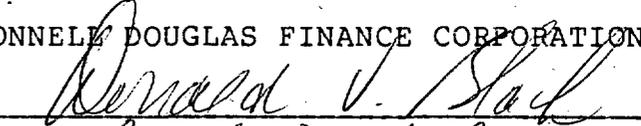
Its:

President

ASSIGNEE:

MCDONNELLE DOUGLAS FINANCE CORPORATION

By:



Its:

Authorized Agent

SCHEDULE I  
TO ASSIGNMENT OF SUBLEASE  
DATED AS OF MARCH 16, 1976

Subleased Boxcars:

AAR Mech. Design	Description	Numbers	Door Width	No. of Cars
XM	50' cushioned under frame boxcars with 15" end-of-car cushioning.	4100 to 4139 inclusive	10'	40

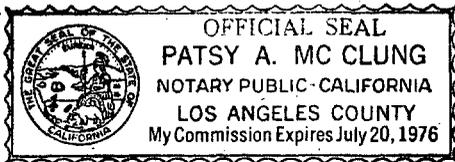
FORM OF ACKNOWLEDGMENT

State of California }  
County of Los Angeles } ss.

On this 17th day of March, in the year 1976, before me Patsy A. McClung a Notary Public in and for said County, personally appeared Donald V. Black, known to me to be the Authorized Agent of the corporation that executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

Patsy A. McClung  
(Notary Public)

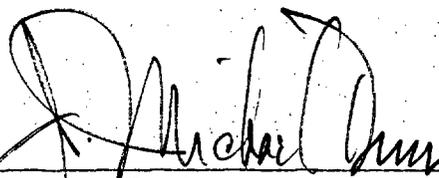
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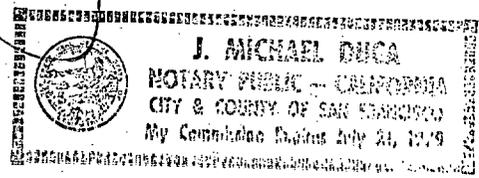


McDonnell Douglas Finance Corporation

STATE OF CALIFORNIA )  
COUNTY OF SAN FRANCISCO ) SS

On this 19th day of March, 19 76, before me personally appeared William J. Texido to me personally known, who being by me duly sworn says that he is President of SSI Rail Corp., 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



## CONSENT AND AGREEMENT

The undersigned, VERMONT RAILWAY, INC., a Vermont corporation ("Sublessee") hereby acknowledges notice of and consents to all of the terms of the foregoing Assignment of Sublease dated March 25, 1976 (the "Assignment", the defined terms therein being hereinafter used with the same meaning) granting to MCDONNELL DOUGLAS FINANCE CORPORATION ("Assignee") a security interest in the right, title and interest of SSI RAIL CORP. ("Assignor") in and to the Lease and to all payments of rentals and other moneys payable under the Sublease as and to the extent that the same relate to the Subleased Boxcars. Sublessee agrees, upon notice by Assignee to Sublessee that an Event of Default under the Lease shall have occurred and be continuing, all payments of rentals and other moneys payable under the Sublease as and to the extent that the same relate to the Subleased Boxcars shall be made directly to Assignee without asserting any defense, setoff or counterclaim (except for all costs, expenses, fees or charges incurred in connection with maintenance repair bills for the Subleased Boxcars) which it may have against Assignor, Assignee or any other person.

Sublessee agrees that the Sublease and the Sublessee's rights thereunder, as and to the extent that the same relate to the Subleased Boxcars, are and shall be subject and subordinate to the title, interests, rights, privileges and remedies of Assignee under the Lease and nothing contained in the Sublease shall impair the rights of

Assignee under the Lease. Sublessee agrees that full legal title to the Subleased Boxcars shall at all times remain vested in Assignee to the exclusion of Assignor and Sublessee.

Sublessee's obligations to Assignee in the event of default by Assignor include no commitments or limitations not already stated and agreed to by Sublessee in the Sublease except to return the Subleased Boxcars to Assignee rather than Assignor as provided in the Sublease, upon notification of Assignee, and except as expressly provided herein.

Dated as of March 25, 1976.

SUBLESSEE:

VERMONT RAILWAY, INC.

BY: H. T. Folsom

Its Vice President & Gen. Manager

SEAL

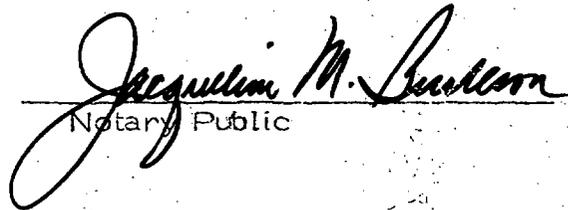
ATTEST:

Rosalie L. Threlfall

STATE OF VERMONT )  
COUNTY OF CHITTENDEN )

SS

On this 25th day of March, 1976, before me personally appeared Harold T. Filskov to me personally known, who being by me duly sworn says that he is V. Pres. & Gen. Mgr. of Vermont Railway, Inc., that the seal affixed to the foregoing instrument is the corporate seal 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