railgon™
The nationwide gondola pool

RAILGON COMPANY
101 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606
(312) 853-3223

No. 4-321A073
Date NOV 16 1984
Fee $ 20.00
ICC Washington, D. C.

14475
RECORDATION NO. Filed 1425
NOV 16 1984 11 32 AM
INTERSTATE COMMERCE COMMISSION

14475
RECORDATION NO. Filed 1425
NOV 16 1984 11 32 AM
INTERSTATE COMMERCE COMMISSION

November 15, 1984

Dear Mr. Bayne:

On behalf of Seaboard System Railroad, Inc., I submit for filing and recording, under 49 U.S.C. §11303(a) and the regulations promulgated thereunder, the enclosed executed original and a certified true copy of each of the following primary documents:

1. "Lease of Railroad Equipment."

2. "Assignment of Lease."

The parties to these transactions are as follows:

Seaboard System Railroad, Inc. - as Lessee
500 Water Street
Jacksonville, Florida 32202

The Connecticut Bank and Trust Company,
National Association - as Trustee for
Owner, and as Lessor
One Constitution Plaza
Hartford, Connecticut 06115

Mercantile-Safe Deposit and Trust Company
- as Agent
2 Hopkins Plaza
Baltimore, Maryland 21201

The equipment covered by the enclosed documents is as set forth below:

Car Type	AAR Mechanical Designation	No. of Units	Reporting Marks	Car Numbers
52'6" 100 ton gondola cars	GB	1000	GONX	310000 - 310999

(1 fee)

Please cross-index this filing under the name Railgon Company.

Enclosed is a check in the amount of $20, $10 to pay the recording fee for the instant documents and $10 to cover the requested cross-indexing fee.

A short summary of the documents to appear in the Index is as follows:

> "Lease and Assignment of Lease relating to certain 52'6" 100-ton capacity gondola cars numbered GONX 310000 - 310999."

Once the filing has been made, please keep the executed original of each document for your files and return to bearer the other stamped copies, together with the fee receipt, the letter from the ICC acknowledging the filing, and the four extra copies of this letter of transmittal.

Very truly yours,

T. D. Marion

T. D. Marion
Agent for Seaboard System
Railroad, Inc. for the
purpose of this filing.

Honorable James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures
TDM/gno

BY HAND

Interstate Commerce Commission

Washington, D.C. 20423

11/16/84

OFFICE OF THE SECRETARY

T.D. Marion

Railgon Co.
101 N.Wacker Drive
Chicago, Illinois 60606

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 11/16/84 at 11:30am and assigned re-recordation number(s). 14475 & 14475-A 12013-I,J,&K 12564-I,J,& K 12989-J,K & L 14329-B

Sincerely yours,

James H. Bayne

Secretary

Enclosure(s)

SE-30
(7/79)

14475

RECORDATION NO. Filed 1425

NOV 16 1984 11 30 AM

INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of November 15, 1984

Between

SEABOARD SYSTEM RAILROAD, INC., Lessee

and

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION, Trustee

Covering

500 52' 6" 100-ton Capacity
Fixed End Gondola Cars

LEASE OF RAILROAD EQUIPMENT, dated as of November 15, 1984 (this "Lease"), between SEABOARD SYSTEM RAILROAD, INC., a Virginia corporation (hereinafter called the Lessee), and THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, acting not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the Owner-Trustee) acting under certain Trust Agreements, dated as of July 1, 1980, October 1, 1980, and February 1, 1981, as amended (hereinafter called the Trust Agreement), with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Owner).

WHEREAS, the Owner-Trustee entered into three conditional sale agreements, one of which is dated as of July 1, 1980, one of which is dated as of October 1, 1980, and one of which is dated as of February 1, 1981, as amended (as such agreements relate to the Units (as defined below) covered hereby to be hereinafter individually and collectively referred to as the Security Document) with the manufacturers specified in Item 1 of Annex A to such Security Document (hereinafter individually called a Builder and collectively the Builders) wherein the Builders agreed to manufacture, sell and deliver to the Owner-Trustee the units of railroad equipment described in Annex B thereto; and

WHEREAS, each Builder assigned certain of its interests in its Security Document to Mercantile-Safe Deposit and Trust Company, as agent (hereinafter, together with its successors and assigns, called the Vendor) for the investors (the "Investors") described in such Security Document, pursuant to, in each case, an Agreement and Assignment (hereinafter individually called an Assignment and collectively the Assignments); and

WHEREAS, the Owner-Trustee entered into three participation agreements, one of which is dated as of July 1, 1980, one of which is dated as of October 1, 1980, and one of which is dated as of February 1, 1981 (such agreements, as amended, to be hereinafter individually and collectively referred to as the "Participation Agreement"); and

WHEREAS, the Owner-Trustee has leased the equipment delivered and accepted and settled for under the Security Document to Railgon Company (hereinafter called Railgon), under Leases of Railroad Equipment dated as of July 1, 1980, October 1, 1980 and February 1, 1981 (hereinafter individually and collectively called the Original Lease); and

WHEREAS, the Lessee desires to lease from the Owner-Trustee 500 units of equipment subject to the Original Lease as are further described in Schedule A hereto at the rentals and further terms and upon the conditions hereinafter provided (such units of equipment being hereinafter called "Units"); and

WHEREAS, Railgon has agreed to delete such Units from the terms and conditions of the Original Lease; and

WHEREAS, the Owner-Trustee will assign this Lease for security to the Vendor pursuant to an Assignment of Lease (hereinafter called the Lease Assignment) and the Lessee will consent to the Lease Assignment pursuant to a Lessee's Consent (hereinafter called the Consent);

NOW, THEREFORE, in consideration of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Owner-Trustee hereby leases the Units to the Lessee, consisting of 500 Units of the equipment which were still subject to the Original Lease as of the date hereof, as shown on Schedule A hereto, upon the following terms and conditions:

§1. Abatements, Reductions and Set-Offs. This Lease is a net lease. Lessee's obligation to pay all rentals and other amounts hereunder is absolute and unconditional and, except as herein provided, the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against Railgon, the Owner or the Owner-Trustee whether under this Lease, under the Security Document or otherwise, including the Lessee's rights by subrogation thereunder against the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Owner-Trustee or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, including, but not limited to, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization

of this Lease, any insolvency of or bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease; provided, however, that notwithstanding anything to the contrary in this Section 1, Lessee's obligation to pay all rentals and other amounts hereunder shall be subject to abatement or reduction if, and to the extent that, the Lessee shall lose its right to the possession, enjoyment, and use of any of the Units as a result of any insolvency, bankruptcy, reorganization or similar proceeding against Railgon or against the Owner or the Owner-Trustee. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Owner-Trustee, the Owner or the Vendor for any reason whatsoever.

§2. Delivery and Acceptance of Units. The Owner-Trustee will cause the Units to be delivered to the Lessee on the lines of the Lessee in the United States of America, freight charges, if any, to be paid, in accordance with the terms and conditions of Railgon's Form G Contract with the Lessee but not, in any event, by the Lessee. Upon such delivery, the Lessee will cause an inspector of the Lessee to inspect each Unit, and if such Unit is found to be acceptable, to accept delivery of such Unit and execute and deliver to the Owner-Trustee a certificate of acceptance and delivery (hereinafter called the "Certificate of Acceptance") stating that such Unit has been inspected and accepted on behalf of the Lessee on the date of such Certificate of Acceptance and is marked in accordance with §5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§3. Rentals. The Lessee agrees to pay to the Owner-Trustee, as rental for each Unit subject to this Lease, 32 consecutive semiannual payments, payable in arrears. Each of the first 8 semiannual payments shall be in the amount of $866.875 per Unit and each of the remaining 24 semiannual payments shall be in the amount of $1,916.25 per Unit. Semiannual rent shall be due and payable and shall be paid on May 15, 1985 and thereafter on each May 15 and November 15 through and including November 15, 2000; provided, however, that if such semiannual payment date is not a business day such rent shall be due and payable and shall be paid on the business day next succeeding such semiannual payment date. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays, and on any other day in which banking institutions in Jacksonville, Florida, New York, New York or Hartford, Connecticut are authorized or obligated to remain closed.

For so long as the Security Document shall remain in effect, the Owner-Trustee irrevocably instructs the Lessee to make all the payments due the Owner-Trustee provided for in this Lease (other than payments which by the express terms of §§6, 9, and 17 of this Lease are payable directly to the Owner-Trustee or the Owner) to the Vendor, for the account of the Owner-Trustee in its capacity as trustee, in care of the Vendor, with instructions to the Vendor (a) first to apply such payments to satisfy the obligations of the Owner-Trustee under the Security Document and the Participation Agreement known to the Vendor to be due and payable thereunder on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the Security Document shall have occurred and be continuing, to pay any balance promptly to the Owner-Trustee or to the order of the Owner-Trustee in immediately available funds at such place as the Owner-Trustee shall specify in writing.

The Lessee agrees to make each payment provided for herein as contemplated by this §3 in immediately available funds at or prior to 11:00 a.m. in the city where such payment is to be made.

§4. Term of Lease. The term of this Lease as to each Unit shall commence as of the date hereof and, subject to the provisions of §§7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect

thereof is due pursuant to §3 hereof. The obligations of the Lessee hereunder (including, but not limited to, the obligations under §§3, 6, 7, 9, 11, 13, 14 and 18 hereof) shall survive the expiration of the term of this Lease.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Vendor under the Security Document and the Lease Assignment; provided, however, that, so long as no Event of Default hereunder, or an event that with the passage of time, or the giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Vendor shall not interfere with the Lessee's possession, enjoyment and use of the Units.

§5. Identification Marks. The Lessee will cause each Unit to be renumbered with its identifying number as set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission", or other appropriate words designated by the Owner-Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Owner-Trustee's title to and the Vendor's security interest in such Unit and the rights of the Owner-Trustee under this Lease and of the Vendor under the Security Document. The Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Owner-Trustee and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Document shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Vendor and the

Owner-Trustee an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's and the Owner-Trustee's interests in such Units and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Vendor and the Owner-Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or similar type for convenience of identification of its right to use the Units under this Lease, and the Units may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§6. Taxes. The Lessee agrees to pay, and to indemnify and hold the Owner-Trustee (in both its individual and fiduciary capacities), the Owner, the Vendor, the Investors and the trust estate held by the Owner-Trustee under the Trust Agreement and by the Vendor under the Security Document (each such entity to be indemnified to be referred to as an "Indemnitee" and collectively as the "Indemnitees") harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon any of the Indemnitees, or otherwise, by any federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; this Lease, the Lease Assignment, the Consent, the Trust Agreement, the Participation Agreement, the Security Document or the assignment of the Security Document (all of such documents to be referred to collectively as the "Financing Documents") and any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to property held in such trust estate or by the Vendor under the

Security Document, (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) any Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any Indemnitee is indemnified by Railgon pursuant to Paragraph 9 of the Participation Agreement) of any foreign country or of any subdivision thereof, imposed on or measured solely by the gross or net income or excess profits or based on capital employed if the tax is in lieu of a tax imposed on or measured by such gross or net income or excess profits of the Owner-Trustee (in its individual capacity), or the Owner, the Investors or the Vendor (in its individual capacity) other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition by the Owner or any transfer or disposition by the Owner resulting from bankruptcy or other proceedings for the relief of debtors in which the Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Lease, unless, in each case, such transfer or disposition is in connection with a Casualty Occurrence or an Event of Default hereunder shall have occurred and be continuing; (iii) any Taxes imposed on or measured by any trustee or agency fees or compensation received by the Owner-Trustee or the Vendor; and (iv) any Taxes which are imposed on or measured solely by the gross or net income or based on capital employed if the tax is in lieu of a tax imposed on or measured by such gross or net income or excess profits of the Owner-Trustee, the Investors or the Vendor, if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Lessee has not agreed to pay or indemnify against pursuant to this §6; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the next succeeding paragraph. The Lessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the gross or net income of the Lessee (or the affiliated group, within the meaning of Section 1504 of the Internal Revenue Code of 1954, as amended, of which the Lessee is a member), under the laws of the United States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof which, if unpaid, might

result in a lien or other encumbrance upon any Unit; provided, however, that the Lessee shall not be required to pay any such tax during the period it may be contesting the same in good faith by appropriate proceedings.

If claim is made against any Indemnitee for any Taxes indemnified against under this §6, such Indemnitee shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, such Indemnitee shall, upon receipt of any indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Lessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of such Indemnitee; provided that, no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of such Indemnitee, in any such proceeding or action) without the prior written consent of such Indemnitee, as the case may be. If such Indemnitee shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by the Lessee and the period of such payment, such Indemnitee shall pay the Lessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Lessee under this §6 or arising out of this §6, except obligations resulting from the second sentence of the first paragraph of this §6, the Lessee shall either make such report or return in such manner as will show the interests of the Owner-Trustee in the Units, or shall promptly notify the Owner-Trustee, the Owner and the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Owner-Trustee, the Owner and the Vendor. All costs and

expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee.

All the obligations of the Lessee under this §6 shall survive and continue, but only with respect to periods included in the term of this Lease, notwithstanding payment in full of all amounts due under the Security Document or the termination of this Lease. All amounts payable by the Lessee pursuant to this §6 shall be payable directly to the indemnified party entitled to indemnification, except to the extent paid directly to a governmental agency or taxing authority as part of Lessee's report of railroad rolling stock for state and local ad valorem taxes and as to state and local sales and use taxes, pursuant to direct pay permits now held or hereafter obtained by the Lessee or otherwise, and except to the extent that the Lessee now holds or hereafter obtains exemptions from state and local sales and use taxes which may otherwise be applicable. The foregoing indemnities by the Lessee shall not constitute a guarantee by the Lessee of the payment of any installment of principal or interest payable under the Security Document or a guarantee of the residual value of the Units.

The Lessee shall maintain such records in accordance with its recordkeeping practices in respect of the Units as it would be required to maintain if the Lessee were the owner of the Equipment for Federal income tax purposes, and shall furnish promptly, upon request, such records and other information and data as are normally available to the Lessee and which the Owner-Trustee, the Vendor or the Owner reasonably may require to permit compliance with the requirements of any taxing authorities. Neither the Lessee nor any affiliate will at any time take any action or file any returns or other documents inconsistent with the treatment of the Lease as a lease for Federal income tax purposes.

The amount of rentals payable hereunder are based on the assumption that the Owner, as the owner of the Units, will continue to be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code and state and local taxing statutes to an owner of property, including, without limitation:

(A) a credit under Section 38 of the code equal to 10 percent of the Onwer's original cost of the Units (the "Investment Credit");

(B) with respect to Units originally leased under a Lease of Railroad Equipment, dated as of July 1, 1980, and a Lease of Railroad Equipment dated as of October 1, 1980, a depreciation allowance for each Unit beginning in 1980 and computed on the basis of the double declining balance method, changing to the sum of the years-digits method and then to the straight-line method in the years determined by the Owner as provided by Section 167(b) of the Internal Revenue Code and Reg. §1.67(a)-(11)(c)(1)(iii), and an asset depreciation period within the asset depreciation range specified for railroad equipment in Asset Guideline Class No. 00.25 of Revenue Procedure 77-10, pursuant to Reg. §1.167(a)-11(b)(4); and will be entitled to make the election to reduce gross salvage under Section 167(f)(1) of the Code (the "Depreciation Deductions"); and

(C) with respect to Units originally leased under a Lease of Railroad Equipment dated as of February 1, 1981, deductions under Section 168 of the Code with respect to the Owner's original cost, beginning in 1981 and calculated using the percentages set forth in Section 168(b)(1) of the Code for "5-year property" (the "Cost Recovery Deductions").

If by reason of any act of commission or omission (whether permitted or required by this Lease), any misrepresentation, breach of any agreement, covenant, or warranty contained herein or any exhibit thereto, on the part of the Lessee, or any sublessee or assignee of the Lessee, the Owner shall lose the right to claim, shall not claim (as the result of a good faith determination of tax counsel of the Owner (hereinafter referred to as "Tax Counsel") that such claim is not properly allowable), shall be delayed in claiming, shall suffer a disallowance of, or shall be required to recapture, all or any portion of the Investment Credit, the Depreciation Deductions or the Cost Recovery Deductions, or shall be required to treat any item of income, deduction or credit relating to the Units as derived from, or allocable to, sources outside the United States (any such event hereinafter referred to as a "Loss"), the

Owner shall give to the Lessee notice of such Loss accompanied by a written statement describing in reasonable detail the Loss and the computation of such amount as shall, in the reasonable opinion of the Owner, if paid on the next succeeding rental payment date subsequent to the Loss, cause the Owner's after-tax economic yields and cash flows (computed on the same assumptions, including tax rates, as were utilized by the Owner in originally evaluating this transaction) to equal the after-tax economic yields and cash flows that would have been realized by the Owner if such Loss had not occurred, and the Lessee shall pay such amount to the Owner on that date. The amounts payable pursuant to this paragraph shall be calculated based on the assumption that the Owner has sufficient income such that it is fully taxable at the tax rates set forth in the applicable schedule, regardless of the actual taxes paid by the Owner in any particular tax year. The Lessee shall not be required to indemnify the Owner for any Loss resulting from any event with respect to which Casualty Value has been fully paid to the extent that such Loss is reflected in such Casualty Value.

The Owner shall give the Lessee notice thereof if the Internal Revenue Service proposes an adjustment in the Federal income taxes of the Owner for which the Lessee would be required to indemnify the Owner, and if the amount of the indemnity which the Lessee would be required to pay exceeds $100,000, then, if requested by the Lessee in a timely written request, the Owner shall request an opinion of independent tax counsel selected by the Owner, the cost of which shall be borne by the Lessee, as to whether the basis in law and in fact in favor of allowance of the item proposed to be adjusted outweighs the basis in law and in fact to the contrary. If the opinion is to that effect and if the Lessee promptly requests the Owner to do so, the Owner shall in good faith contest the proposed adjustment; provided, however, that Tax Counsel shall determine in its sole discretion the nature of all action to be taken to contest any such proposed adjustment including (A) whether any such action shall initially be by way of judicial or administrative proceedings, or both, (B) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (C) if the Owner shall undertake judicial action with respect to such proposed adjustment, the court or other judicial body before which such action shall be commenced. The

Owner shall have full control over any contest pursuant to this paragraph, and shall not be required to appeal an adverse determination by any court. At any time, whether before or after commencing to take any action pursuant to this paragraph, the Owner may, with respect to the proposed adjustment or any portion thereof, decline to take such action by notifying the Lessee in writing that the Lessee is relieved of its obligation to indemnify the Owner with respect to the portion thereof as to which it declined to take such action as may be specified in such notice, and shall repay the amounts advanced by the Lessee, if any, with respect to such adjustment, together with interest thereon at the Prime Rate.

The Owner shall not be required to take any action pursuant to the preceding paragraph unless and until the Lessee shall have agreed to indemnify the Owner in a manner reasonably satisfactory to the Owner for any liability or loss which the Owner may incur as a result of contesting the proposed adjustment and shall have agreed to pay the Owner on demand all costs and expenses which the Owner may incur in connection with contesting the proposed adjustment (including reasonable fees and disbursements of counsel selected by the Owner). If the Tax Counsel determines to contest any adjustment by paying the additional tax and suing for a refund, the Lessee shall advance on an interest-free basis to the Owner an amount equal on an after-tax basis to the sum of any tax, interest, penalties and additions to tax which are required to be paid, at the time such amounts are paid by the Owner. Upon receipt by the Owner of a refund of any amounts paid by it in respect of which it shall have been paid an amount by the Lessee pursuant to the foregoing sentence, the Owner shall repay to the Lessee the amount of such refund together with any interest received by it on such amount.

For purposes of this Section, the term "the Owner" shall include any affiliated group of which the Owner is, or may become, a member if consolidated, joint or combined returns are filed for such affiliated group for Federal, state or local income tax purposes.

§7. Payment for Casualty Occurrences; Insurance. In the event that any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken

or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government for a period not in excess of the then remaining term of this Lease (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, or until such Unit shall have been returned in the manner provided in §11 or §14 hereof, the Lessee shall promptly and fully notify the Owner-Trustee and the Vendor with respect thereto. On the semiannual payment date next succeeding the delivery of such notice (or, in the event such rental payment date will occur within 15 days after delivery of notice, on the following rental payment date, or, in the event the term of this Lease has already expired or will expire within 15 days after delivery of such notice, on a date within 15 days of such delivery ("Casualty Payment Date")), the Lessee shall pay to the Owner-Trustee an amount equal to the rental payment or payments in respect of such Unit due and payable on such Casualty Payment Date plus a sum equal to the Casualty Value (as hereinafter defined) of such unit as of the rental payment date which first follows the actual date of the Casualty Occurrence (regardless of the date on which the determination that such Unit suffered the Casualty Occurrence is made such rental payment date being hereinafter called "Calculation Date"). Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the Casualty Payment Date, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Owner-Trustee shall be entitled to recover possession of such Unit.

If the Casualty Payment Date shall be after the term of this Lease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Lessee, in addition to paying the Casualty Value for such Unit, shall pay interest thereon from the end of such term to the Casualty Payment Date at a rate equal to the rate (the "Prime Rate") publicly announced from time to time by Morgan Guaranty Trust Company as its base lending rate for its most credit-worthy corporate customers.

The Owner-Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof before and after the expiration of

this Lease, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Owner-Trustee and is not in default hereunder or there exists no event which after notice or lapse of time or both would become a default hereunder, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess, less reasonable expenses incurred in connection therewith, to the Owner-Trustee.

The Casualty Value of each Unit as of the Calculation Date shall be that percentage of the Purchase Price (as such term is defined in Schedule B hereto) of such Unit as such percentage is set forth in Schedule B hereto opposite such date.

In the event of the requisition for use by the United States Government of any Unit during the term of this Lease or any renewal thereof, unless such requisition shall constitute a Casualty Occurrence, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that if such Unit is returned by the Government at any time after the end of the term of this Lease or any renewal thereof, the Lessee shall be obligated to return such Unit to the Owner-Trustee pursuant to §11 or §14, as the case may be, promptly upon such return by the Government rather than at the end of the term of this Lease or any renewal thereof, but Lessee shall in all other respects comply with the provisions of said §11 or §14, as the case may be, with respect to such Unit. All payments received by the Owner-Trustee or the Lessee from the Government for the use of such Unit during the term of this Lease or any renewal thereof shall be paid over to, or retained by, the Lessee provided 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; and all payments received by the Owner-Trustee or the Lessee from the Government for the use of such Unit after the term of this Lease or any renewal thereof, shall be paid over to, or retained by, the Owner-Trustee.

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.

The Lessee shall at all times while this Lease is in effect maintain or cause to be maintained at its own expense, property, and casualty insurance in respect of the Units at the time subject hereto, at least in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by Lessee on similar equipment owned by it.

The Lessee will, at all times prior to the return of the Units to the Owner-Trustee in accordance with the terms of this Lease, at its own expense, cause to be carried and maintained public liability insurance in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned by it.

§8. Reports; Financial Disclosure. On or before April 1 in each year, commencing with the calendar year 1985, the Lessee will furnish to the Owner-Trustee, the Owner and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Security Document, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or, in the case of the first such statement, since the date hereof (specifying the dates of such Casualty Occurrences) or to the knowledge of the Lessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Owner-Trustee or the Vendor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by §5 hereof and the Security Document have been preserved or replaced. The Owner-Trustee shall have the right (but not any obligation) by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Owner-Trustee may request during the continuance of this Lease.

Provided that the Lessee is aware of or should be aware of any reports (other than income tax returns except as provided in §6 hereof) to be filed by the Owner-Trustee

with any Federal, state or other regulatory authority by reason of the ownership by the Owner-Trustee or the Vendor of the Units or the leasing thereof to the Lessee, the Lessee agrees at its expense to prepare and deliver to the Owner-Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Owner-Trustee) any and all such reports.

The Lessee shall also furnish to the Owner-Trustee and the Vendor, promptly upon transmission thereof, copies of all material, regular and periodic reports of the Lessee, if any, furnished to the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, and Lessee's published reports, if any, to its stockholders. If the Lessee shall at any time not be subject to the reporting requirements of said Securities Exchange Act, it shall deliver to the Owner-Trustee and the Vendor as soon as available, and in any event within 60 days after the end of the first, second and third quarterly accounting periods in each fiscal year of the Lessee, copies of the balance sheet of the Lessee, as of the end of such accounting period and copies of the related statements of income, retained income and changes in financial position of the Lessee, for the portion of its fiscal year ended with the last day of such quarterly accounting period, all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous fiscal year. Upon request from the Vendor or the Owner-Trustee, the Lessee will furnish such information concerning this transaction and the Lessee as such party may reasonably request from time to time.

§9. Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification. NONE OF THE OWNER-TRUSTEE, THE OWNER, OR THE VENDOR MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION, OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND NONE OF THE OWNER-TRUSTEE, THE OWNER, OR THE VENDOR MAKES ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF

(EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE OWNER-TRUSTEE AND THE LESSEE, AND BETWEEN THE VENDOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE; but the Owner-Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease, so long as no Event of Default hereunder shall have occurred and be continuing, to assert and enforce from time to time, in the name of and for the account of the Owner-Trustee and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Owner-Trustee may have against any Builder. The Owner-Trustee and the Owner shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith, including strict liability in tort; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Owner-Trustee that the Units are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Owner-Trustee, the Owner or the Vendor based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Owner-Trustee, the Vendor, and the Owner, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units and in the event that such laws or rules require any alteration, replacement, modification or addition of or to any part on any Unit, the Lessee will fully conform therewith at

its own expense; provided, however, that the Lessee may, upon written notice to the Owner-Trustee and the Vendor, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Owner-Trustee or the Vendor, adversely affect the property or rights of the Owner-Trustee or the Vendor, respectively, under this Lease or under the Security Document.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted.

The Lessee and its affiliates, at their own cost and expense, may from time to time make such other alterations, modifications and additions at any time attached or affixed to any Unit, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit (hereinafter collectively called "Additions") to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which the Unit would have had immediately prior to such time had such Addition not been made.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of a Unit shall without further act vest in the Owner-Trustee and be subject to a valid first lien and prior perfected security interest under the Security Document in the following cases: (i) such Part is in replacement of or in substitution for, and not in

addition to, any Part originally incorporated in or installed as part of such Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part, (ii) such Part is required to be incorporated in or installed as part of such Unit pursuant to the terms of the second or third paragraph of this §9, or (iii) notwithstanding the provisions of the fourth paragraph of this §9, such Part cannot be readily removed from such Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part for the purposes of this paragraph and §14 hereof shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

The Lessee shall pay and shall protect, indemnify and hold the Owner-Trustee (in both its individual and fiduciary capacities), the Owner, the Investors and the Vendor and their respective successors, assigns, agents and servants (hereinafter collectively referred to as the "Indemnified Persons") as third party beneficiaries hereof, harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses (including without limitation attorneys' fees and expenses of any Indemnified Person) relating thereto) in any way relating to or arising or alleged to arise out of this Lease or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any claims based on strict liability in tort or by statute imposed; (iii) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or

alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (iv) any violation, or alleged violation, of any provision of this Lease (except by the Owner-Trustee) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof; or (v) any claim arising out of any of the Owner-Trustee's obligations under the Lease Assignment or the Security Document as a result of any act or omission on the part of the Lessee except to the extent such claim arises from an act or omission of the party claiming indemnification (all of which matters hereinabove set forth in this paragraph being hereinafter called "Indemnified Matters"). All payments hereunder shall be made directly to the Indemnified Person. The Lessee shall be obligated under this §9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this §9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this §9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (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 the expense indemnified against, and of any other such taxes as determined in the sole discretion of the

Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Owner-Trustee each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this §9 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to this §9 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made in respect of such matter.

The indemnities contained in this §9 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, each of the Indemnified Persons. None of the Indemnities in this §9 shall be deemed to create any rights or subrogation in any insurer or third party against the Lessee or the Owner-Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

§10. Default. If, during the continuance of this Lease, one or more of the following events (each such event being hereinafter sometimes called an Event of Default) shall occur:

A. payment of any part of the rental provided in §3 or §13 hereof or payment in respect of any Casualty Occurrence pursuant to §7 hereof shall not be made by or on behalf of the Lessee, and such failure to make payment shall continue for the lesser of two days after the Lessee shall receive notice from the Owner-Trustee in respect of the Lessee's failure to make such payment or five business days after such payment is due; or

B. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Consent and such default shall continue for 25 days after written notice from the Owner-Trustee or the Vendor to the Lessee specifying the default and demanding that the same be remedied; or

C. a petition for reorganization under Title 11 of the United States Code, as now constituted or as said Title 11 may hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee hereunder shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

D. any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease or under the Consent shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner

that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

E. an event of default set forth in Article 15 of the Security Document shall have occurred resulting directly from any default by the Lessee in performing any of its obligations hereunder or under the Consent;

then, in any such case, the Owner-Trustee, at its option, may,

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

(b) by notice in writing to the Lessee terminate this Lease with respect to any or all of the Units, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Owner-Trustee may by its agents enter upon the premises of the Lessee or other premises where any of such Units may be located, without judicial process, if such entry can be done without a breach of the peace, and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without a duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Owner-Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) in respect of such Units and also

to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Owner-Trustee, in its sole discretion, shall specify, (1) a sum, with respect to each such Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which the Owner-Trustee reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 8% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorney's fees, in addition thereto which the Owner-Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental or (2) an amount equal to the excess, if any, of the Casualty Value of each such Unit as of the rental payment date on or next preceding the date of termination over the amount the Owner-Trustee reasonably estimates to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time;

provided, however, that in the event the Owner-Trustee shall have sold any such Unit, the Owner-Trustee, in lieu of collecting any amounts payable to the Owner-Trustee by the Lessee pursuant to the preceding clauses (1) and (2) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay to the Owner-Trustee, and the Lessee shall pay to the Owner-Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the excercise of any of the foregoing remedies and for all reasonable attorneys'

fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Owner-Trustee's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

The remedies in this Lease provided in favor of the Owner-Trustee shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Owner-Trustee to exercise the rights granted it hereunder upon the 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 a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Owner-Trustee.

The Lessee also agrees to furnish the Owner-Trustee, the Vendor and the Owner, promptly upon any responsible officer's acquiring actual knowledge of any condition which constitutes an Event of Default under this Lease 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 §10, 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.

§11. Return of Units upon Default. If this Lease shall terminate in respect of any of the Units pursuant to

§10 hereof, the Lessee shall forthwith deliver possession of such Units to the Owner-Trustee and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Unit so to return such Units. Each such Unit returned to the Owner-Trustee pursuant to this §11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear and modifications, if any, permitted by this Lease excepted, and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable, or such comparable standards as may then be in effect. For the purpose of delivering possession of any such Unit or Units to the Owner-Trustee as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner cause such Units to be transported to such storage tracks of the Lessee as shall reasonably be designated by the Owner-Trustee and there assembled,

(b) furnish and arrange for the Owner-Trustee to store such Units on such tracks until such Units have been sold, leased or otherwise disposed of by the Owner-Trustee, and

(c) cause the Units to be moved to such interchange point or points of the Lessee with any connecting carrier as shall be designated by the Owner-Trustee upon any sale, lease or other disposal of all or any of such Units.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee (and the Lessee will during this period maintain the insurance required by §7 of this Lease to be maintained) and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. In the event that any of the Units are

sold, the Lessee shall pay to the Owner-Trustee the per diem interchange for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this §11, the Lessee hereby irrevocably appoints the Owner-Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Owner-Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Owner-Trustee without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Owner-Trustee other than the Vendor except upon written notice of such assignment from the Owner-Trustee. All the rights of the Owner-Trustee hereunder (including, but not limited to, the rights under §§6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Owner and the Owner's and the Owner-Trustee's assigns.

So long as no Event of Default or event of default exists hereunder and the Lessee shall have fully complied with the provisions of this §12, the Lessee shall be entitled to the possession and use of the Units and also to sublease the Units to a sublessee or user incorporated in the United States of America (or any State thereof or in the District of Columbia), upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any province thereof), or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic in the continental United States, Canada and Mexico, but only upon and subject to all the terms and conditions of this Lease; provided, however, that if the Lessee subleases or permits the use of any Unit in Canada (or any Province or Territory thereof) or in Mexico (or any State or the Federal

District thereof), the Lessee shall, except as otherwise provided in §15 hereof, first have (a) taken all necessary action to protect the right, title and interest of the Owner-Trustee and the Vendor in the Units to be so subleased or used and (b) furnished the Owner-Trustee and the Vendor with an opinion of Canadian or Mexican counsel, as the case may be, satisfactory to the Owner-Trustee and the Vendor, to the effect that such action is all that is necessary to protect the right, title and interest of the Owner-Trustee and the Vendor in such Units; provided, further, that no Units shall be used predominantly outside the United States of America within the meaning of section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee sublease the Units to, or permit their use by, any person in whose hands such Units would not qualify as "section 38" property within the meaning of such Code or in whose hands the property would be treated as "tax-exempt use property" within the meaning of Section 168(j)(3) of the Code; provided, further, that no Unit shall be used in a manner which would cause any item of income or deduction relating to the Unit to be treated as derived from, or allocable to, sources outside the United States.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Units included in such sublease and the use thereof; provided, however, that every such sublease shall be subject to the rights and remedies of the Vendor under the Security Document and the Owner-Trustee under this Lease.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (except any sublease or car contract as aforesaid and other than an encumbrance resulting from claims against the Owner-Trustee or the Vendor not related to the ownership or leasing of, or the security interest of the Vendor in, the Units) which may at any time be imposed on or with respect to any Units including any accession thereto or the interest of the Owner-Trustee, the Owner, the Vendor or the Lessee therein. The Lessee shall not, without the prior written consent of the Owner-Trustee, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of this §12.

Nothing in this §12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which was solvent immediately prior to such assignment and transfer and which shall have specifically assumed the obligations of the Lessee hereunder and under the Consent by an appropriate instrument in writing) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition be in default under any provision of this Lease.

§13. Renewal Options and Purchase Option. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may, by written notice delivered to the Owner-Trustee not less than six months prior to the end of the original term of this Lease elect to extend the term of this Lease in respect of all, but not fewer than all, the Units then covered by this Lease, for a three-year period commencing on the scheduled expiration of the original term of this Lease, at a rental payable in arrears in six semiannual payments, payable on the semiannual anniversaries of the expiration of the original term, each in the amount of $1,733.35 per Unit.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Owner-Trustee not less than six months prior to the end of the first extended term of this Lease, elect to extend the term of this Lease in respect of all but not fewer than all of the Units then covered by this Lease, for an additional period of three years commencing on the scheduled expiration of the first extended term of this Lease at a rental payable in arrears in six semiannual payments on the semiannual anniversaries of the expiration of the first extended term each in the amount of $1,095.00 per Unit.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Owner-Trustee not less than six months prior to the end of the original

term or any extended term of this Lease, elect to purchase all but not less than all of the Units covered by this Lease at the end of such term of this Lease for a purchase price equal to the "Fair Market Value" of such units as of the end of such term.

Fair Market Value shall be determined on the basis of, and shall be equal in amount to, the value which would be determined in an arm's-length transaction between an informed and willing buyer-user (other than (i) a buyer-user currently in possession and (ii) a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before four months prior to the expiration of the term or an extended term of this Lease, the Owner-Trustee and the Lessee are unable to agree upon a determination of the Fair Market Value of such Units, such value shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Value of the Units subject to the proposed purchase option within 90 days after his appointment. The determination of Fair Market Value of the appraiser appointed pursuant to this paragraph shall be final. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Value and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expense and fee of the Appraiser shall be borne by the Lessee.

Upon payment of the purchase price together with any and all other amounts due and payable hereunder and the release of the Vendor's security interest under the Security Document, the Owner-Trustee shall upon request of the Lessee execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Units are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under the Owner-Trustee) for such Units, and such other documents as may be required to release such Units from the term and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

§14. Return of Units upon Expiration of Term. As soon as practicable on or after the termination of the original or any extended term of this Lease, and in any event not later than 90 days thereafter, the Lessee will (unless the Unit is sold to the Lessee), at its own cost and expense, at the request of the Owner-Trustee, deliver possession of each Unit to the Owner-Trustee upon such storage tracks of the Lessee as shall be reasonably designated by the Owner-Trustee immediately prior to such termination and arrange for the Owner-Trustee to store such Unit on such tracks for a period commencing on the date of its arrival at any such point and extending thereafter to a date not later than three (3) months from the date each such Unit was first placed in storage pursuant to this §14 and to transport the same, at any time within such three month period, to any reasonable place on the lines of railroad operated by the Lessee, or to any connecting carrier, for shipment, all as directed by the Owner-Trustee; the assembly, delivery, storage and transporting of the Units to be at the expense and risk of the Lessee; and the Lessee will during this period maintain the insurance required by §7 of this Lease to be maintained. During any such storage period the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of

the Owner-Trustee or any prospective purchaser or lessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Owner-Trustee pursuant to this §14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any Part or Addition title to which is in the Owner-Trustee pursuant to §9 hereof and have removed therefrom at Lessee's expense any Part or Addition title to which is in the Lessee pursuant to §9 hereof and (iii) meet the standards then in effect under the regulations of the United States Department of Transportation and under the Interchange Rules of the Association of American Railroads, if applicable or such comparable standards as may then be in effect.

If any of the Units suffers a Casualty Occurrence during any storage period provided for in this §14, the Lessee shall pay to the Owner-Trustee the Casualty Value of such Unit as determined in accordance with §7 hereof. All gross amounts earned in respect of any Unit shall, from and after the termination of this Lease as to such Unit, belong to and be the property of the Owner-Trustee. In the event that by the end of the third month after the termination of the original or any extended term of this Lease the Lessee has not, at the request of the Owner-Trustee, caused at least 90% of the Units to be transported to such point or points as shall have been designated by the Owner-Trustee pursuant to this §14, the Lessee shall pay to the Owner-Trustee the per diem interchange rate multiplied by the number of such Units equal to the difference between 90% of such Units and the number of such Units previously delivered pursuant to this §14 (such number to be determined on each day) for each day from the end of the third month to the date on which at least 90% of such Units have been so transported. If, after the termination of the storage period provided in this §14, any of such Units have not been so transported, the Lessee shall pay to the Owner-Trustee the per diem interchange rate for each such Unit not so transported for each day after the end of such storage period until such Unit or Units have been so transported.

Upon the expiration of the original term of this Lease, if the Lessee shall decide not to exercise the renewal option provided by the first paragraph of §13 hereof, the Lessee will deliver to the Owner-Trustee a certificate of an officer of the Lessee to the effect that (a) no Event of Default or any event which with lapse of time or notice or both would constitute an Event of Default had occurred or was continuing as of the date on which this Lease terminates; (b) no liens, charges, security interests or other encumbrances (except an encumbrance resulting from claims against the Owner-Trustee or the Owner) were, as of the date on which this Lease terminates, imposed on or with respect to any Unit, any accession thereto, or the interest of the Owner-Trustee or the Owner therein; (c) the Units have been returned to the Owner-Trustee pursuant to this §14 in the same operating order, repair and condition required by the first paragraph of this §14 and (d) the Lessee no longer has any interest in the Units under the Lease or otherwise. If a certificate of an officer of the Lessee is required to be furnished pursuant to the preceding sentence, the certificate described in clause (a) in the preceding sentence shall be furnished on the date on which this Lease terminates, and the certificates described in clauses (b), (c) and (d) in the preceding sentence shall be furnished on a monthly basis, beginning on the monthly anniversary of the date on which this Lease terminates; and such certificates shall cover each such Unit returned during the preceding 30 calendar days and shall apply to each such Unit as of the date such Unit was returned pursuant to the provisions of the first paragraph of this §14. Upon the expiration of any extended term of this Lease, if the Lessee shall decide not to exercise any further renewal option, or if the Lessee shall have no such further renewal option, the Lessee shall deliver to the Owner-Trustee a certificate of an officer of the Lessee to the foregoing effect, with such conforming changes as shall be appropriate under the circumstances.

§15. Recording. Railgon, at its own expense, will cause this Lease, the Lease Assignment (together with the Consent), and any amendments of the Security Document or the assignment of the Security Document required in connection with the execution and delivery of this Lease and the Lease Assignment (together with the Consent) and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303. The Lessee will from time to time do and perform

any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Owner-Trustee or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Owner-Trustee's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Security Document or the Lease Assignment, provided, however, that the Lessee shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Lessee deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Lessee has taken all action required by law to protect the title of the Owner-Trustee to and the security interest of the Vendor in the Units having a Purchase Price (as defined in Article 4 of the Security Document) of not less than 85% of the aggregate Purchase Price of all the Units then subject to this Lease, and (3) any Unit at any time located in such jurisdiction shall have been marked with the markings specified in §5 hereof.

With respect to the filing and recording referred to in the first sentence of this §15, Railgon, and with respect to all subsequent filings, registering, depositing or recording, the Lessee, will promptly furnish to the Owner-Trustee and the Vendor evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for Railgon or the Lessee, as the case may be, with respect thereto satisfactory to the Vendor and the Owner-Trustee. This Lease, the Security Document, the Lease Assignment (together with the Consent), and any other document required to be filed shall be filed and recorded with the Interstate Commerce Commission within five (5) days of the latest acknowledgement hereto, or as soon as thereafter as is reasonably practicable.

§16. Merger and Consolidation. The Lessee agrees not to merge or consolidate with any other corporation unless the survivor of such merger or consolidation shall be a solvent corporation organized under the laws of the United States of America or a State thereof or the District of Columbia and such survivor (if not the Lessee) shall assume all the obligations and liabilities of the Lessee hereunder and under the Consent.

§17. Owner-Trustee's Right to Perform for the Lessee. If the Lessee fails to perform or comply with any of its agreements contained herein, the Owner-Trustee may upon notice to the Lessee itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of the Owner-Trustee incurred in connection with such performance or compliance, together with interest on such amount at a rate equal to the Prime Rate plus 2% shall be payable by the Lessee upon demand. No such performance or compliance by the Owner-Trustee shall be deemed a waiver of the rights and remedies of the Trustee against the Lessee hereunder or be deemed to cure the default of the Lessee hereunder.

§18. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate equal to the Prime Rate plus 2% on the overdue rentals and other obligations for the period of time during which they are overdue, or such lesser amount as may be legally enforceable.

§19. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when delivered to such other party or deposited in the United States mails, first-class postage pre-paid, addressed as follows:

if to the Owner-Trustee, at One Constitution Plaza, Hartford, Connecticut 06115, attention of Corporate Trust Department, with a copy to the Owner, at P.O. Box 8300, Stamford, Connecticut 06904, attention of Manager Operations;

if to the Lessee, at 500 Water Street
Jacksonville, Florida 32202
Attention: Vice President - Treasurer

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above for such party. Any notice to the Lessee by the Vendor or the Investors

regarding Lessee's failure to perform any obligation hereunder shall also be furnished by the Lessee to the Owner-Trustee.

§20. Owner-Trustee Acting as Trustee. The representations, undertakings and agreements herein made on the part of the Owner-Trustee are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement.

Whenever the term Owner-Trustee is used in this Lease it shall apply and refer to the Owner-Trustee, as trustee under the Trust Agreement, and any successor or assignee of the Owner-Trustee in such capacity.

§21. No Recourse. No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Owner-Trustee, the Vendor or the Lessee, or against any other beneficiary of a trust for which the Owner-Trustee is acting as trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, as such, or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

It is expressly agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties and agreements herein made on the part of the Owner-Trustee are each and every one of them made and intended not as personal representations, warranties and agreements by the financial institution acting as Owner-Trustee hereunder, or for the purpose or with the intention of binding said financial institution personally, but are made and intended for the purpose of binding the Trust Estate, and this Lease is executed and delivered by the Owner-Trustee solely in the exercise of the powers expressly conferred upon the Owner-Trustee under the Trust Agreement; and that no personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owner on account of any representation, warranty or agreement

hereunder of said financial institution, acting in its capacity as Owner-Trustee, or the Owner, either expressed or implied; all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder, may look to the Trust Estate for satisfaction of the same.

§22. Severability; Effect and Modification of Lease; Third Party Beneficiaries. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Owner-Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto, except the Participation Agreement. Subject to the last sentence of the second paragraph of Article 21 of the Security Document, no variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Owner-Trustee and the Lessee.

Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than the Owner, the Vendor, the Investors and the permitted successors and assigns of a party each of which shall be deemed a third party beneficiary hereof to the extent of their respective interests, if any, in the CSA Indebtedness under the Security Document) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party except as aforesaid.

§23. Execution. This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first set forth above, the

actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

§24. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303, any additional rights arising out of the filing, recording or depositing of this Lease and any assignment hereof as shall be conferred by the laws of the several jurisdictions in which the same shall be filed, recorded or deposited, or in which any Unit shall be located, and any rights arising out of the markings on the Units.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

[CORPORATE SEAL]
Attest:

By _____
Assistant Secretary

SEABOARD SYSTEM RAILROAD, INC.

By _____
Vice President-Treasurer

[CORPORATE SEAL]
Attest:

By _____

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By _____

actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

§24. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303, any additional rights arising out of the filing, recording or depositing of this Lease and any assignment hereof as shall be conferred by the laws of the several jurisdictions in which the same shall be filed, recorded or deposited, or in which any Unit shall be located, and any rights arising out of the markings on the Units.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

[CORPORATE SEAL]
Attest:

SEABOARD SYSTEM RAILROAD, INC.

By_____
Assistant Secretary

By_____
Vice President-Treasurer

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

[CORPORATE SEAL]
Attest:

By_____

By_____

STATE OF FLORIDA)
) ss.:
COUNTY OF DUVAL)

On this 15th day of November, 1984, before me personally appeared H.L. Snyder, to me personally known who, being by me duly sworn, says that he is Vice President-Treasurer of SEABOARD SYSTEM RAILROAD, 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.

Judith L. Hughett
Notary Public

Notary Public, State of Florida
My Commission Expires Aug. 5 1988

(Notarial Seal)

STATE OF Conn)
) ss.:
COUNTY OF Hartford)

On this 13th day of Nov, 1984, before me personally appeared V. Kreuscher, to me personally known who, being by me duly sworn, says that he is ASSISTANT VICE PRESIDENT of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, 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 By-laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ruth A Emerson
Notary Public

RUTH A. EMERSON
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1989

[Notarial Seal]
My commission expires:

Schedule A
To Lease

Type	Quantity	Serial Numbers (Inclusive)
52'6" 100-ton capacity Fixed-End Gondala car AAR mechanical designation: GB	500	310000-310999*

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* 500 cars from this group of 1,000 will be selected and accepted by the Lessee as provided in §2.

Schedule B
To Lease

CASUALTY VALUES[1]

Rental Payment Number	Percentage
1	88.48%
2	88.42%
3	88.42%
4	88.47%
5	88.57%
6	88.72%
7	88.93%
8	89.18%
9	87.23%
10	85.23%
11	83.17%
12	81.06%
13	78.89%
14	76.64%
15	74.33%
16	71.94%
17	69.46%
18	66.90%
19	64.24%
20	61.49%
21	58.64%
22	55.69%
23	52.63%
24	49.45%
25	46.16%
26	42.75%
27	39.21%
28	35.53%
29	31.72%
30	27.76%
31	23.78%
32 and thereafter	20.00%

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1 The Casualty Value of each Unit as of any rental payment date shall be that percentage of $45,818 (the "Purchase Price") of such Unit as is set forth in the above schedule opposite such rental payment date.

CERTIFICATION OF TRUE COPY

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, Stewart E. Tabin, a member of the Bar of the State of New York, do hereby certify that I have compared the attached copy of the document entitled "Lease of Railroad Equipment" with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature this 14th day of November, 1984.

Stewart E. Tabin
Stewart E. Tabin

Subscribed and sworn to before
me this 14th day of November, 1984.

Theresa Sementilli
Notary Public

THERESA SEMENTILLI
Notary Public, State of New York
No. 41-4773862
Qualified in Queens County
Commission Expires March 30, 1986