



100 North Charles Street
Baltimore, MD 21201

ROBERT F. HOCHWARTH
Senior Counsel
Phone: 301 237-4605

RECORDATION NO. 15110-B Filed 1480

OCT 30 1987 -3 45 PM

Law Department
CSX Equipment Group

INTERSTATE COMMERCE COMMISSION

October 29, 1987

Ms. Noreta R. McGee, Secretary
Interstate Commerce Commission
Attention: Recordation Unit
Constitution Avenue and 12th Street, N.W.
Washington, DC 20423

No. 7-303A042
Date OCT 30 1987
Fee \$ 10.00

Dear Ms. McGee:

ICC Washington, D.C.

Enclosed for recordation under the provisions of 49 USC 11303(a) are five (5) counterparts of a Sublease of Railroad Equipment dated as of January 1, 1987, between The Chesapeake and Ohio Railway Company as Sub lessor and Intermodal Systems, Inc., as Sublessee.

This is a secondary document and covers equipment covered by a Railroad Equipment Lease dated as of November 19, 1986, filed on December 3, 1986, under Recordation No. 15110, as supplemented by a First Amendment to Railroad Equipment Lease, dated as of February 1, 1987. A general description of the railroad equipment covered by the enclosed document is set forth in Exhibit A attached hereto and made a part hereof.

The names and addresses of the parties are:

- Sublessor: The Chesapeake and Ohio Railway Company
100 North Charles Street
Baltimore, MD 21201
- Sublessee: Intermodal Systems, Inc.
10 Parsonage Road
Edison, NJ 08830

Also enclosed is a draft in the amount of \$10 representing the required recording fee.

Pursuant to the Commission's rules and regulations for recordation of these documents, you are hereby requested to file one of the enclosed counterparts for record in your office and return the remaining copies to me.

Very truly yours,

Robert F. Hochwarth
Robert F. Hochwarth
Senior Counsel

RFH/mw
Enclosures (5)

100 OFFICE OF THE SECRETARY OCT 30 3 24 PM '87 MOTOR OPERATING UNIT

EXHIBIT A

OCT 30 1987 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

DESCRIPTION OF EQUIPMENT

The Cars subject to this Sublease are identified by the following numbers which are stenciled on such Cars, and the Owner's Cost for each Car shall be as indicated below:

<u>Car Numbers</u>	<u>Owner's Cost</u>
NYSW6836 through NYSW6840, inclusive	\$169,750 each
NYSW6842 through NYSW6860, inclusive	\$165,897 each

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

11/2/87

Robert F. Hochwarth
Senior Counsel
CSX Transportation
100 North Charles Street
Baltimore, MD. 21201

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 10/30/87 at 3:45pm, and assigned recordation number(s). 15110-B & 15131-C

Sincerely yours,

Norita R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

SUBLEASE OF RAILROAD EQUIPMENT OCT 30 1987 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

THIS SUBLEASE OF RAILROAD EQUIPMENT, dated as of January 1, 1987, by and between THE CHESAPEAKE AND OHIO RAILWAY COMPANY, a corporation duly organized and existing under the laws of the State of Virginia (hereinafter called "Lessor"), and INTERMODAL SYSTEMS, INC., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called "Lessee").

WHEREAS, Lessor is the lessee of 25 bulkhead intermodal railroad cars listed on Exhibit A hereto (the "Cars") pursuant to a Railroad Equipment Lease dated as of November 19, 1986 (the "Lease") between Gunderson Leasing, Inc. (the "Owner") and Lessor, as amended by an Amendment dated February 1, 1987, and Lessor desires to sublease the Cars to Lessee and Lessee desires to hire the same from Lessor upon the terms and conditions set forth herein.

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

SECTION 1 - LEASE OF CARS

Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the Cars, subject to all applicable terms, covenants, and provisions of the Lease and to the rights and remedies of the parties thereto, for a term of ten years from the date of this Sublease and concluding December 31, 1996.

SECTION 2 - DELIVERY OF CARS

Lessor has delivered the Cars to Lessee prior to the effective date of this Sublease, and Lessee hereby acknowledges receipt thereof as conforming in all respects to this Sublease.

SECTION 3 - RENT

Subject to the provisions of SECTION 9 hereof, for the use of the Cars during the term of this Sublease, Lessee shall pay to Lessor as quarterly rental for each Car an amount equal to .02975 of the Owner's cost of the Cars ("Basic Rent"). The Owner's cost for each Car shall be as indicated on Exhibit A hereto.

The Basic Rent shall be payable in arrears on the first day of January, April, July and October ("Rent Payment Date") during the term of this Sublease. The first such Rent Payment Date shall be on the first day of the month following execution of the Sublease.

For the use of the Cars by Lessee prior to January 1, 1987, Lessee shall pay to Lessor interim rental ("Interim Rent") at the rate of \$54.46 per Car per day for the period when each such Car was in Lessee's possession under Interim User Agreement among Lessor, Lessee and the Owner as evidenced by Certificates of Inspection and Acceptance executed by Authorized Representative of Lessee. Lessee shall pay

Interim Rent to Lessor on the first day of the month following execution of this Sublease by Lessee.

All payments of Basic Rent and Interim Rent remaining due and unpaid after the due date thereof shall bear interest from the due date thereof at a rate per annum equal to the current prime interest rate plus 1% (computed on the basis of a 365-day year of actual days elapsed) or the maximum rate permitted by applicable law, whichever is less (the "Late Payment Rate").

If a Rent Payment Date shall not be a business day, the payment otherwise due thereon shall be due and payable on the next succeeding business day.

SECTION 4. - ADDITIONAL RENT PAYABLE BY LESSEE

In addition to the Basic Rent and Interim Rent payable by Lessee under SECTION 3 hereof, Lessee agrees to pay, as additional rent, sums sufficient to pay and discharge all amounts required to be paid by Lessee in order to comply fully with all other provisions of this Sublease ("Additional Rent").

Additional Rent will be due and payable by Lessee at the time specified in the relevant provisions hereof. The section under which Additional Rent is payable shall be stated in an invoice from Lessor, and the supporting detail or documentation required by such section shall be included.

SECTION 5. - LESSEE'S REPRESENTATIONS AND WARRANTIES

Lessee makes the same representations and warranties to Lessor as Lessor made to the Owner under Section 6 of the Lease.

SECTION 6. - LESSOR'S REPRESENTATIONS AND WARRANTIES

Lessor makes the same representations and warranties to Lessee as the Owner made to the Lessor under Section 7 of the Lease.

SECTION 7. - GENERAL INDEMNITY

Lessee agrees to indemnify Lessor and the Owner to the same extent and under the same conditions and exceptions as Lessor made to the Owner under Section 8 of the Lease.

SECTION 8. - TAX INDEMNITY

In the event that Lessor is obliged to make any payments to Owner pursuant to the provisions of Sections 9 or 10 of the Lease, as a result of any occurrence during the term or any additional term of this Sublease, Lessee will reimburse Lessor for such payments.

SECTION 9. - REPAIR AND MAINTENANCE; PAYMENT OF LOSS VALUE

During the term of this Sublease, Lessee shall, at its sole expense, maintain and keep all of the Cars subject to this Lease in good order, condition and repair, qualified for use in interchange in accordance with the rules of the Association of American Railroads, and shall use the Cars only in the manner for which they were designed and intended

so as to subject them only to ordinary wear and tear. Any parts installed or replacements made by Lessee upon any Car shall be considered accessions to such Car and title thereto shall be immediately vested in the Owner without cost or expense to the Owner. Lessee shall make no additions or improvements to any Car without the prior written consent of Lessor unless the same are readily removable without causing material damage to such Car. Title to any such readily removable additions or improvements shall remain with Lessee.

In the event that any Car shall be or become (1) lost, stolen or destroyed, (2) in the reasonable opinion of Lessee, irreparably damaged or damaged beyond economic repair, from any cause whatsoever, or (3) seized, taken or requisitioned by condemnation or otherwise prior to the actual redelivery of such Car to Lessor, if such act results in loss or possession by Lessee for a period of more than 90 consecutive days or for a stated period which exceeds the then remaining term of this Sublease with respect to such Car (any such event being herein called an "Event of Loss"), Lessee shall fully inform Lessor with respect thereto. Lessee shall pay Lessor, on the next succeeding rental payment date for such Car, in immediately available funds, an amount equal to the Loss Value of such Car as of such date, as set forth on Exhibit B hereto. Upon the making of such payment by Lessee,

Basic Rent with respect to such Car shall cease to accrue, the term of this Sublease as to such Car shall terminate and all of Lessor's right, title and interest in such Car shall automatically pass to Lessee on an as-is, where-is basis and without recourse, representation or warranty, express or implied (except that such Car is free and clear of Lessor's Liens). Except as provided in this paragraph, Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any such Event of Loss to any Car on and after its Commencement Date hereunder and prior to termination of this Sublease and the return by Lessee to Lessor of such Car pursuant to Section 12 hereof.

SECTION 10 - OPERATING RULES AND REGULATIONS

Lessee agrees to comply with all governmental laws, regulations and requirements, including the Interchange Rules and all other rules of the Association of American Railroads (or any successor thereto) and the Interstate Commerce Commission. In case any equipment or appliance on any Car shall be required to be changed or replaced, or any additional or other equipment or appliance is required to be installed on such Car in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such changes, additions and replacements at its own expense, and title thereto shall be immediately vested in Lessor.

SECTION 11 - EVENTS OF DEFAULT

(a) Events of Default. Each of the following events shall constitute an "Event of Default" hereunder (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body);

(i) Default by Lessee in making any payment of Basic Rent or Additional Rent due hereunder, as and when the same shall become due and payable, and such default shall continue unremedied for ten days; or

(ii) Default by Lessee in the observance or performance of any covenant, condition or agreement to be performed or observed by Lessee under this Sublease or any other document or certificate furnished to Lessor in connection herewith or pursuant hereto, and such default shall continue for 30 days after written notice thereof from Lessor to Lessee; or

(iii) Any representation or warranty made by Lessee in this Sublease or in any other document or certificate furnished by Lessee to Lessor in connection herewith shall prove to be untrue or incorrect in any material respect as of the date of issuance or making

thereof; or

(iv) Lessee is generally not paying its debts as such debts become due or becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for any of its properties or assets; or

(v) A petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against 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 Lessee under this Sublease 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 expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed; or

(vi) Any proceedings shall be commenced by or against Lessee for any relief which includes, or might result in, any modification of the obligations of Lessee under this Sublease, or any other document or instrument furnished to Lessor in connection herewith under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments or indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of Lessee hereunder, or under any such other document or instrument), and are consented to or are not dismissed within 60 days after such proceedings shall have been commenced; or

(b) Remedies. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing and shall not have been remedied, Lessor may, at its option, declare this Sublease to be in default and at any time thereafter may exercise one or more of the following remedies, as Lessor in its sole discretion shall elect:

(i) Lessor may proceed by appropriate court action, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Sublease or to recover damages for the breach thereof.

(ii) Lessor may by notice in writing, terminate

this Sublease as to any or all Cars, whereupon all rights of Lessee to the use of such Cars shall absolutely cease and terminate, but Lessee shall remain liable as herein provided; and thereupon Lessee, if so requested by Lessor, shall at the expense of Lessee promptly return such Cars to the possession of Lessor as provided in Section 12.

(iii) Lessor may enter upon the premises where any Car is located and take immediate possession of and remove such Car, all without liability on the part of Lessor for or by reason of such entry or taking possession, whether for the restoration of damage to property caused by such taking or otherwise, and without such action constituting a termination of this Sublease as to such Car unless Lessor expressly notifies Lessee in writing to that effect.

(iv) Lessor may sell any or all Cars at public or private sale, with notice to Lessee but with or without advertisement, in such manner as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle any or all thereof, as Lessor in its sole discretion may determine, and all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or

inaction or for any proceeds with respect thereto.

(v) Lessor may avail itself of any other remedy provided by any statute or otherwise available at law, in equity or in bankruptcy.

SECTION 12 - SURRENDER OF THE CARS

Upon the expiration of the term of the Lease or this Sublease, or in the event the Lease or this Sublease shall terminate by reason of Lessee's default hereunder, Lessee shall return the Cars to the Owner or the Lessor in the manner set forth in Section 22 of the Lease.

SECTION 13 - INSURANCE

Lessee shall insure the Cars in the manner set forth in Section 23 of the Lease.

SECTION 14 - PURCHASE OPTION

Lessee shall have the option to purchase all, but not less than all, the Cars then subject to this Sublease at the end of the Term. The purchase price for all Cars shall be equal to their fair market value as of the end of the Term, subject to a maximum price equal to 35% of the Owner's Cost for such Cars. If Lessee desires to exercise its option pursuant to this Section, it shall notify Lessor in writing 6 months prior to the end of the Term. If the parties cannot agree on the fair market value of the Cars, the fair market value shall be the weighted average of the determinations of

three appraisers, one appraiser to be appointed by each of the parties and the third appraiser to be appointed by the two appraisers thus selected.

SECTION 15 - NOTICES

Any notice from one party to the other shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, postage prepaid, addressed as follows:

If to ~~Lessor~~: Intermodal Systems, Inc.
Lessee 10 Parsonage Road
Adison, NJ 08830

ATTENTION: President

If to ~~Lessee~~: The Chesapeake and Ohio
Lessor Railway Company
c/o CSX Transportation
100 North Charles Street
Baltimore, MD 21201

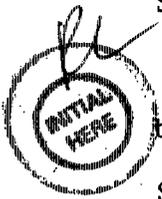
ATTENTION: Treasurer-
Distribution Services



Either Lessor or Lessee may at any time change such address by delivering or mailing as aforesaid 10 days' prior written notice of such change in address.

SECTION 16 - RECORDING

~~Lessor~~
Lessee, at its own expense, will cause this Sublease to be filed in accordance with 49 U.S.C. §11303(a).



SECTION 17 - BINDING EFFECT

This Sublease shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective suc-

cessors and assigns.

SECTION 18 - GOVERNING LAW

This Sublease shall be construed in accordance with and shall be governed by the laws of the Commonwealth of Virginia.

SECTION 19 - EXECUTION IN COUNTERPARTS

This Sublease may be executed in any number of counterparts, each counterpart constituting an original but all together one and the same instrument and contract.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be executed in their respective names as of the date first above written.

THE CHESAPEAKE AND OHIO RAIL-
WAY COMPANY

By: A. B. Minton

Title: Treasurer

INTERMODAL SYSTEMS, INC.

By: Robert A. Belman

Title: Vice President

STATE OF MARYLAND)
) SS.
CITY OF BALTIMORE)

On this 22nd day of May, 1987, before me personally appeared A. B. AFTOORA, to me personally known who, being by me duly sworn, says that he is Treasurer of THE CHESAPEAKE AND OHIO RAILWAY COMPANY; that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation; that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Beatrice M. McCarley
Notary Public

(NOTARIAL SEAL)

My Commission Expires: 7-1-90

STATE OF NEW JERSEY)
) SS.
COUNTY OF MIDDLESEX)

On this 20th day of October, 1987, before me personally appeared Robert A. Lehmann, to me personally known who, being by me duly sworn, says that he is the Vice President of INTERMODAL SYSTEMS, 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.

Monica Wilson
Notary Public

(NOTARIAL SEAL)

My Commission Expires: 11/10/90

EXHIBIT A

DESCRIPTION OF EQUIPMENT

The Cars subject to this Sublease are identified by the following numbers which are stenciled on such Cars, and the Owner's Cost for each Car shall be as indicated below:

<u>Car Numbers</u>	<u>Owner's Cost</u>
NYSW6836 through NYSW6840, inclusive	\$169,750 each
NYSW6842 through NYSW6860, inclusive	\$165,897 each

EXHIBIT B

Loss Value of Each Car

<u>Rent Payment Date</u>	<u>Percentage of Owner's Cost of the Cars</u>
January 1, 1987	102.56523658%
April 1, 1987	102.74818116
July 1, 1987	102.06820617
October 1, 1987	101.32870837
January 1, 1988	100.53193960
April 1, 1988	96.64969367
July 1, 1988	95.70946073
October 1, 1988	94.71205744
January 1, 1989	93.66335745
April 1, 1989	92.56397027
July 1, 1989	91.40455182
October 1, 1989	90.18492195
January 1, 1990	88.91072260
April 1, 1990	87.58246187
July 1, 1990	86.18920126
October 1, 1990	84.74432662
January 1, 1991	83.25348038
April 1, 1991	81.71841006
July 1, 1991	80.15415897
October 1, 1991	78.56392699
January 1, 1992	76.94681526
April 1, 1992	75.30122320
July 1, 1992	73.63150524
October 1, 1992	71.93382784
January 1, 1993	70.20721583
April 1, 1993	68.44993005
July 1, 1993	66.66680935
October 1, 1993	64.85972059
January 1, 1994	63.02671507
April 1, 1994	61.16650946
July 1, 1994	59.28329467
October 1, 1994	57.37663996
January 1, 1995	55.44271991
April 1, 1995	53.48015222
July 1, 1995	51.49351257
October 1, 1995	49.48234667
January 1, 1996	47.44250614
April 1, 1996	45.37250197
July 1, 1996	43.27732907
October 1, 1996	41.15650845
January 1, 1997	39.00554146
April 1, 1997	36.82282402
July 1, 1997	34.61380775
October 1, 1997	32.37798781
January 1, 1998	30.11048565
April 1, 1998	27.80957302
July 1, 1998	25.50799242
October 1, 1998	23.21681511