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12027-I

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D. C.

20006-29

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D. C. BAR
** ALSO A MEMBER OF OHIO BAR

JAN 19 1983 - 11:00 AM

INTERSTATE COMMERCE COMMISSION

No. JAN 19 1983
Date

Fee \$ 50.00

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Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Ms. Mergenovich:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are the original and one certified true copy of a Sublease Agreement dated as of November 15, 1982, a "primary document" as that term is defined in 49 C.F.R. §1116.1(a). The enclosed document relates to an Equipment Lease Agreement dated as of July 1, 1980 between United States Trust Company of New York, as Trustee, Lessor, and XTRA Leasing, Inc., Lessee, which was duly filed and recorded at 8:50 a.m. on July 23, 1980 and assigned Recordation Number 12027. The Equipment Lease Agreement was subsequently amended, supplemented and restated by documents recorded with your office.

A general description of the railroad rolling stock covered by the enclosed document is set forth in a schedule attached to this letter and made a part hereof.

The names and addresses of the parties to the enclosed document are:

Sublessor: TNW Corporation
6116 North Central Expressway
Suite 802
Dallas, Texas 75206

Sublessee: Texas North Western Railway Company
6116 North Central Expressway
Suite 802
Dallas, Texas 75206

RECEIVED
JAN 19 10 53 AM '83
FEE OPERATION BR.

Handwritten signatures and notes on the left margin, including "C.T. Kappler" and a large signature.

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission

Page Two

The undersigned is agent for the Sublessor for the purpose of submitting the enclosed document for filing and recordation and has knowledge of the matters set forth therein.

Kindly return the stamped copies of the enclosed document not needed for your files to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006 or the bearer hereof.

Also enclosed is a check in the amount of \$50 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Very truly yours,


Charles T. Kappler

SCHEDULE

Two diesel-electric locomotive units bearing identifying marks and numbers TNW 100 and TNW 273.

Four hundred (400) railway covered hopper cars, 4750 cubic feet 100-ton capacity bearing identifying marks and numbers TXNW 47,000 through TXNW 46,399, both inclusive.

REGISTRATION NO. 12027-2
Form 1428

JAN 19 1983 - 11 C. AM

DISTRICT OF COLUMBIA SS:

INTERSTATE COMMERCE COMMISSION

On this 17th day of January 1983 the undersigned Notary Public says that she has compared the attached copy to the original of a Sublease Agreement dated as of November 15, 1982 between TEXAS NORTH WESTERN RAILWAY COMPANY and TNW CORPORATION, and such copy is a complete and identical copy of the original document.


Jana S. Kabatznick

Notary Public

(SEAL)

My commission expires: My Commission expires December 14, 1987

JAN 19 1983 11 00 AM

SUBLEASE AGREEMENT INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of November 15, 1982 (the "Agreement"), by and between TEXAS NORTH WESTERN RAILWAY COMPANY, a Texas railroad corporation ("Railway"), and TNW CORPORATION, a Texas corporation ("TNW").

W I T N E S S E T H :

WHEREAS, TNW is the controlling stockholder of Railway, which is the owner and operator of certain railroad properties;

WHEREAS, in order to facilitate the leasing of certain railroad equipment, TNW has entered into (i) a Railcar Per Diem Agreement ("Railcar Lease") with XTRA Leasing, Inc., a Delaware corporation ("XTRA Leasing") for the lease of four hundred (400) covered hopper railcars and (ii) a Locomotive Lease Agreement ("Locomotive Lease") with XTRA, Inc., a Maine corporation ("XTRA") for the lease of two (2) locomotives;

WHEREAS, Railway desires to lease from TNW such covered hopper railcars and locomotives for use in its operations;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements set forth herein, the parties agree as follows:

I.

Lease of Railcars

Railway agrees to lease from TNW and TNW agrees to lease to Railway the four hundred (400) covered hopper railcars upon the same terms and conditions as XTRA Leasing leases such railcars to TNW under the Railcar Lease, which is attached as Exhibit "A" and incorporated herein by reference. ✓

II.

Lease of Locomotives

Railway agrees to lease from TNW and TNW agrees to lease to Railway the two (2) locomotives upon the same terms ✓

and conditions as XTRA leases such locomotives to TNW under the Locomotive Lease, which is attached as Exhibit "B" and incorporated herein by reference.

III.

Obligations

The obligations of Railway created pursuant to this Agreement will be the same as those assumed by TNW under the Railcar Lease and Locomotive Lease.

IV.

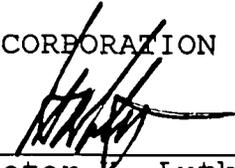
General Provisions

(a) Texas Law to Apply. This Agreement shall be construed under and in accordance with the laws of the State of Texas.

(b) Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

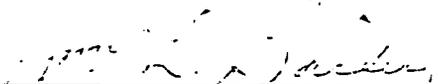
IN WITNESS WHEREOF THIS AGREEMENT has been executed as of the date first above written.

TNW CORPORATION

By: 

Peter K. Lutken, Jr.,
President

TEXAS NORTH WESTERN RAILWAY
COMPANY

By: 

William L. Bailey,
President

XTRA Leasing and XTRA hereby consent to the foregoing Sublease Agreement. Notwithstanding this consent, TNW shall continue to be obligated to perform all of its obligations under the Railcar Lease and the Locomotive Lease. Upon an Event of Default (as defined in the Railcar Lease or the Locomotive Lease, which ever may be applicable) XTRA and XTRA Leasing shall each have the right to take possession of the hopper railcars and the locomotives, respectively, free and clear of any rights of Railway hereunder.

XTRA LEASING, INC.

By: W. H. S. [Signature]
Title: VICE PRESIDENT

XTRA, INC.

By: W. H. S. [Signature]
Title: VICE PRESIDENT

THE STATE OF TEXAS, §
§
COUNTY OF DALLAS. §

On this 15th day of November, 1982, before me personally appeared WILLIAM L. SARAKENOFF, to me personally known, who being by me duly sworn, says that he is the Vice President of XTRA, Inc., that said instrument was signed 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.

Melinda L. Snyder
Notary Public in and for
the State of Texas.

MELINDA L. SNYDER

(Type or Print Name of Notary)

My Commission Expires:

11-22-84

Exhibit A

RAILCAR PER DIEM AGREEMENT

This Agreement is dated this 15th day of November, 1982, between XTRA LEASING, INC., a Delaware corporation, ("XTRA") and TNW CORPORATION, a Texas corporation, ("TNW"):

1. Lease. TNW agrees to carry out its obligations under this Agreement through its wholly-owned subsidiary, Texas North Western Railway Company, a Texas corporation ("Railway"). TNW agrees to cause Railway to enter into an agreement with TNW ("Lease") whereby it will assume all of TNW's obligations under this Agreement without, however, releasing TNW from any of its liabilities hereunder. All of Railway's rights under the Lease shall be subject to the terms and conditions of this Agreement.

2. Cars. XTRA agrees to provide, and TNW agrees to accept, use and place in service 400 LO class covered hopper railcars, each of 4,750 cubic feet/100 ton capacity and identified and described in Exhibit A attached hereto (the "Cars"). The minimum value of such Cars, for per diem purposes, shall be \$44,000.00. TNW agrees to use its best efforts to utilize the Cars in such a manner so as to maximize the amount of off-line per diem and mileage payments generated by such Cars.

3. Term. The term of this Agreement shall be five (5) years commencing with the date hereof.

4. Repairs and Maintenance; Markings and Reports.

(a) XTRA shall be responsible for the cost of routine maintenance of the Cars necessary to maintain the Cars in good condition and repair in accordance with all applicable rules and regulations of the Association of American Railroads ("AAR"). Anything herein to the contrary notwithstanding, TNW shall be responsible for damage (normal wear and tear excepted) to the Cars occurring while such Cars are on Railway's lines, to the extent that such damage is not covered by insurance.

(b) Prior to the delivery of the Cars to TNW, XTRA shall cause each Car to be plainly marked with Railway's reporting marks (i.e., "TXNW"). TNW shall not place, nor permit to be placed, upon the Cars any lettering or marking of any kind without XTRA's prior written consent. TNW

will instruct the AAR to deliver all reports concerning the Cars, including reports concerning their condition and their physical structure, and all revenues generated by the Cars directly to the attention of XTRA.

5. Indemnities and Insurance.

(a) TNW agrees to abide by and comply with all the rules and regulations of the AAR. To the extent TNW or Railway is liable under the rules and regulations of the AAR or at common law, in equity, or otherwise, TNW agrees to indemnify and hold harmless XTRA from and against all losses, damages, injuries, liabilities, claims and demands whatsoever whether as a result of damage to the Cars or injury to persons or property, regardless of the cause thereof, and any expense in connection therewith, including legal fees arising out of, or as a result of, the use or operation of the Cars during the term of this Agreement, to the extent that such losses, damages, injuries, liabilities, claims and demands are not covered by insurance. In addition, XTRA will not be liable for any defect or omission in the construction or manufacture of the Cars or any material incorporated therein by the manufacturer thereof or any component thereof.

(b) XTRA shall not be liable for any loss of or damage to commodities, or any part thereof, loaded or shipped in the Cars, however such loss or damage shall be caused or shall result. TNW agrees to assume responsibility for, to indemnify XTRA against, and to hold XTRA harmless from any such loss or damage, or claim therefor, and to assume responsibility for any damage caused to the Cars by such commodities, to the extent TNW or Railway is liable for any such loss or damage under the rules and regulations of the AAR or at common law, in equity or otherwise.

(c) XTRA will cause to be carried or maintained at all times during the term of this Agreement property damage and personal injury liability insurance covering the Cars as is commonly maintained on comparable equipment by companies similarly situated. In all events XTRA will cause to be carried and maintained insurance against all risks of physical damage to the Cars as provided under a standard all-risk policy, in an amount calculated according to the Settlement Value set forth in the latest edition of the Interchange Rules.

(d) The policies of insurance required hereunder shall be valid and enforceable policies issued by insurers of recognized responsibility acceptable to TNW. Evidence of such insurance shall be delivered by XTRA to TNW. Such insurance may be blanket insurance covering other equipment not covered by this Agreement, provided that any such blanket insurance shall in an accompanying certificate of insurance or rider specifically designate the Cars as being included therein and covered thereby to the full extent of the amounts herein required. All such policies shall contain an agreement by the insurers that such policies shall not be cancelled without at least ten (10) days' prior written notice to TNW in the event of nonpayment of premium by XTRA when due.

6. Delivery. The Cars shall be delivered by XTRA at Etter, Texas, or any other location mutually agreed upon by the parties hereto at the expense of XTRA.

7. Lease Payments. All off-line per diem and mileage payments generated by the Cars shall be collected by XTRA. XTRA shall be compensated for the use of the Cars by retention on a monthly basis of seventy percent (70%) of the monthly off-line per diem and mileage payments generated during such month by the Cars at the then current AAR rates (or at such other rate as may be mutually agreed upon by XTRA and TNW in writing and attached hereto), with the remaining thirty percent (30%) of such monthly off-line per diem and mileage payments collected by XTRA, subject to the provisions of Paragraph 5 of that certain Letter of Commitment dated July 22, 1982, addressed to TNW Corporation, 6116 North Central Expressway, Suite 802, Dallas, Texas, 75206, Attention Mr. Peter K. Lutken, Jr., and executed by XTRA, TNW and Railway, being remitted to TNW. XTRA shall perform all off-line per diem and mileage accounting for the Cars and shall provide accounting records necessary to substantiate collected and retained amounts.

8. Taxes. XTRA agrees to pay and to indemnify TNW for, and hold TNW harmless from and against, all ad valorem and sales taxes, together with any penalties, fines, or interest thereon, imposed on any Car by any federal, state, local or foreign government or taxing authority.

9. Use of Cars by Railway. The use of the Cars by Railway shall be free of charge to Railway while such Cars are on Railway's lines.

10. Disclaimers.

(a) XTRA will not be liable to TNW for unreasonable delay in delivery or loss of use of any Car or Cars. XTRA's obligation to furnish Cars shall be contractually excused in the event that any failure to deliver any Car or Cars results from events or factors beyond the control of XTRA.

(b) XTRA SHALL HAVE NO LIABILITY TO TNW FOR ANY CLAIM, LOSS, INJURY OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALY AND CONSEQUENTIALY BY THE CARS, BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN, BY ANY INCIDENT WHATSOEVER IN CONNECTION THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS AGREEMENT, INCLUDING LIABILITY ARISING FROM ANY ACT OR OMISSION OF XTRA OTHER THAN FROM XTRA'S NEGLIGENCE. XTRA MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE CARS, AND EXPRESSLY DISCLAIMS SAME.

11. Title to Cars.

(a) TNW acknowledges and agrees that by execution of this Agreement, TNW shall not obtain, and by payment and performance hereunder TNW shall not have or obtain any title to the Cars or any of them at any time subject to this Agreement nor any property right or interest therein, legal or equitable, except solely as lessee hereunder and subject to all terms hereof. TNW shall keep the Cars free from all encumbrances, liens and security interests of all kinds which could adversely affect XTRA's or any financing entity's title thereto.

(b) It is understood that some or all of the Cars furnished to TNW under this Agreement and XTRA's rights hereunder, may, at the time of delivery to TNW or at some future time during the term of this Agreement, be subject to the terms of a lease to XTRA, mortgage, deed of trust, equipment trust, pledge or assignment or similar security agreement, including that certain Equipment Lease Agreement, as amended, ("Equipment Lease Agreement") dated February 2, 1981, between XTRA Leasing, Inc., a Delaware

corporation, as lessee, and United States Trust Company of New York, a New York corporation, not in its individual capacity but solely as trustee, as lessor. TNW agrees that this Agreement and TNW's rights hereunder are, and shall at all times be, subject and subordinated to any and all rights of any primary lessor, mortgagee, pledgee or security holder, including United States Trust Company of New York under the Equipment Lease Agreement, and that no claim or defense which TNW may have against XTRA shall be asserted or enforced against any of said parties.

12. Sublease. TNW will not, without the prior written consent of XTRA, sublet or otherwise relinquish possession of any Car or assign any of its rights hereunder except to Railway in accordance with Paragraph 1 hereof. No sublease, other relinquishment of the possession of any Car, or assignment by TNW of any of its rights hereunder shall in any way discharge or diminish any of TNW's obligations to XTRA hereunder, and all representations, warranties, covenants and conditions of TNW under this Agreement shall be assumed by and become the obligations of any sublessee or assignee of TNW.

13. Events of Default. The term "Event of Default" wherever used herein shall mean any of the following events under this Agreement (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary, or come about or be effected by operation of law, or be 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):

(a) TNW shall fail to perform or observe any covenant, condition or agreement to be performed or observed by TNW under this Agreement, or any document delivered by TNW in connection herewith, and such failure continues for more than ten (10) days after such failure became known or should have become known to any responsible official of TNW (in the event XTRA has actual knowledge of any such failure by TNW, it shall promptly send written notice thereof to TNW); or

(b) Any representation or warranty made by TNW in this Agreement or any agreement, document or certificate delivered by TNW in connection herewith or therewith shall

prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(c) A petition of bankruptcy or for reorganization or arrangement shall be filed by TNW or Railway; or TNW or Railway shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or a receiver, or a trustee or a receiver shall be appointed for TNW or Railway, for any Car or for a substantial part of TNW's or Railway's property without TNW's or Railway's consent, and any such trustee or receiver shall not be dismissed within a period of sixty (60) days; or bankruptcy, reorganization or insolvency proceedings shall be instituted against TNW or Railway and shall not be dismissed within a period of sixty (60) days; or

(d) TNW shall (except as expressly permitted by the provisions of this Agreement) attempt to remove, sell, transfer, encumber, part with possession of, assign or sublet any Car.

Failure or delay of XTRA to require full compliance with any one or more of the terms of this Agreement shall not be interpreted as a waiver of those terms or of XTRA's right to subsequently insist on full compliance therewith or to take such action as might be lawfully authorized hereunder, either at law or in equity.

14. Remedies. Upon the occurrence of any Event of Default and so long as the same shall be continuing, XTRA may, at its option, declare this Agreement to be in default by written notice to such effect given to TNW, and at any time thereafter, XTRA may exercise one or more of the following remedies, as TNW in its sole discretion shall lawfully elect:

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

(b) By notice in writing terminate this Agreement, whereupon all rights of TNW to the use of the Cars shall absolutely cease and terminate, but TNW shall remain liable as hereinafter provided; and thereupon XTRA may

cause TNW at its expense promptly to return the Cars to the possession of XTRA at Etter, Texas, or at such other place as shall be mutually agreed upon by XTRA and TNW in the condition required upon the return thereof pursuant to and in accordance with the terms of Paragraph 15 hereof or XTRA, at its option, may retake the Cars wherever said Cars may be found and irrespective of whether TNW, any sublessee or any other person may be in possession of such Cars, all without notice to TNW and without legal process, and for that purpose XTRA or its agent may enter upon any railroad or other premises where any Car may be and may take immediate possession of and remove such Car.

15. Return of Cars. Upon termination of this Agreement, TNW, at its sole expense, shall return each of the Cars, and each part thereof, to the delivery destination at which XTRA delivered the Cars to TNW or at such other place mutually agreed upon by XTRA and TNW, (i) empty and free from residue, (ii) in such order and condition as will permit XTRA to immediately sell or release the Cars without repair (other than repairs XTRA is required to make under this Agreement and for which TNW has given appropriate written notice), (iii) in a suitable condition for the hauling of commodities that the Cars are designed, intended and customarily used to transport, and (iv) in such condition as is necessary to have the Cars comply with all applicable laws and regulations. TNW shall on demand reimburse XTRA for the cost necessary to make any of the Cars comply with the standards of this Paragraph 15. Such Cars, upon redelivery pursuant hereto, shall be free and clear of all mortgages, liens, security interests, charges, claims or other encumbrances ("Liens") other than liens either (a) created or granted by XTRA, including any such Liens created or granted in connection with the purchase or financing of the Cars, or (b) resulting from claims against XTRA not related to XTRA's ownership of the Cars. If TNW shall have affixed or installed any improvement to any Car redelivered pursuant hereto, TNW will on or before the date of redelivery and at its own expense, remove such improvement if requested to do so by XTRA.

16. Holdover. In the event any Car is not redelivered to XTRA on or before the date of expiration of the original term set forth in Paragraph 3 hereof, at XTRA's sole option, the term hereof may be deemed to be extended

on a month-to-month basis (hereafter "Holdover Period") and all of the obligations of TNW under this Agreement, with respect to such Cars shall remain in full force and effect until all Cars are redelivered to XTRA. XTRA may at any time during the Holdover Period terminate this Agreement and take possession of the Cars upon demand upon thirty (30) days' written notice to TNW.

17. Miscellaneous.

(a) XTRA and TNW agree to execute the documents contemplated by this transaction and such other documents as may be reasonably required in furtherance of this Agreement.

(b) This Agreement shall be governed by and construed according to the laws of the State of Delaware.

(c) All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mails, postage prepaid, certified or registered, addressed to the other party at the following address:

If to XTRA: XTRA Leasing, Inc.
c/o X-L Co., Inc.
60 State Street
Boston, Massachusetts 02109

If to TNW: TNW Corporation
6116 North Central Expressway
Suite 802
Dallas, Texas 75206

With a copy to: Jenkins & Gilchrist
2200 First Nat'l. Bank Bldg.
Dallas, Texas 75202
Attn: Scott Bradley or
John Holzgraefe

The names and addresses of persons to receive notice under this Agreement may be changed by notice given in accordance with this Paragraph 17(c).

(d) Any agreement hereafter made between XTRA and TNW shall be ineffective to change, modify, waive,

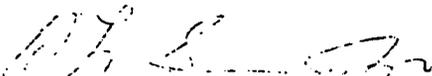
release, discharge, terminate or effect an abandonment of this Agreement, in whole or in part, unless such agreement is in writing and signed by a duly authorized officer of the party against whom enforcement of the change, modification, waiver, release, discharge, termination or the effecting of the abandonment is sought.

(e) This Agreement and each and every condition and agreement herein contained shall be binding upon and inure to the benefit of the respective successors in interest and permitted assignees of XTRA and TNW.

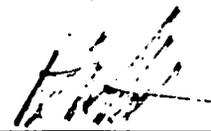
(f) In the event that any of the provisions or portions thereof of this Agreement are held to be unenforceable or invalid by a court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be executed and delivered in its corporate name by duly authorized representative, all as of the date first written above.

XTRA LEASING, INC.

By 
Title: President

TNW CORPORATION

By 
Title: President

THE STATE OF TEXAS, §
 §
COUNTY OF DALLAS. §

On this 15th day of November, 1982, before me personally appeared WILLIAM L. SARAKENOFF, to me personally known, who being by me duly sworn, says that he is the Vice President of XTRA Leasing, Inc., that said instrument was signed 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.

Melinda L. Snyder
Notary Public in and for
the State of Texas.

MELINDA L. SNYDER

(Type or Print Name of Notary)

My Commission Expires:

11-22-84

EXHIBIT A

FOUR HUNDRED (400) LO class railway covered hopper cars, each of 4,750 cubic feet/100 ton capacity, bearing the railroad reporting mark and numbers as follows:

TXNW 47,000 through TXNW 47,399

(11/15/82)

TNW CORPORATION
6116 North Central Expressway
Suite 802
Dallas, Texas 75206

November 15, 1982

XTRA Leasing, Inc.
60 State Street
Boston, MA 02109

Gentlemen:

Reference is hereby made to that certain Railcar Per Diem Agreement ("Agreement") dated November 15, 1982, by and between XTRA Leasing, Inc., a Delaware corporation ("XTRA") and TNW Corporation ("TNW"), pursuant to which XTRA agreed to provide, and TNW agreed to accept, use and place in service 400 LO class covered hopper cars, each of 4,750 cubic feet/100 ton capacity ("Cars"), subject to the terms and provisions set out in the Agreement.

This letter is to advise you that we have reached an agreement with the Santa Fe Railway ("Santa Fe") pursuant to which the Santa Fe has agreed, with respect to any Cars on its lines, to pay 35¢ per loaded mile per Car in lieu of the off-line per diem and mileage rates established by the Association of American Railroads. All sums paid by Santa Fe under this rate schedule shall be paid directly to and collected by XTRA and such sums shall otherwise be subject to the provisions of Section 7 of the Agreement.

Additionally, TNW hereby agrees to make the following payments to XTRA:

1. With regard to any Cars on the Santa Fe line on any trip from Etter Junction, Texas, to Houston, Texas, and return trip from Houston, Texas, to Etter Junction, Texas, at any time and from time to time during the term of the Agreement, TNW shall pay to XTRA the sum of \$7.50 per day per Car for each day (or part

XTRA Leasing, Inc.
November 15, 1982
Page Two

of a day) in excess of twelve (12) days the Car is on the Santa Fe line during the course of such round trip.

2. With regard to any Cars on the Santa Fe line on any trip from Etter Junction, Texas, to Los Angeles, California, and return trip from Los Angeles, California, to Etter Junction, Texas, at any time and from time to time during the term of the Agreement, TNW shall pay to XTRA the sum of \$7.50 per day per Car for each day (or part of a day) in excess of twenty (20) days such Car is on the Santa Fe line during the course of such round trip.

Upon return of the Car to Etter Junction, Texas, the \$7.50 per diem payable by TNW as set forth above shall terminate. Following each twelve (12) month period after the execution of the Agreement (hereinafter "Lease Year"), XTRA shall submit an invoice to TNW reflecting the total amount due and payable hereunder for such Lease Year. All sums due and payable pursuant to subparagraphs 1 and 2 above shall be paid by TNW to XTRA on or before the thirtieth (30th) day following receipt by TNW of such invoice. All sums paid by TNW hereunder shall be retained by XTRA and no portion thereof shall be remitted to TNW or credited against the Note (as defined in and provided for in the Letter of Commitment dated July 22, 1982, addressed to TNW Corporation, 6116 North Central Expressway, Suite 802, Dallas, Texas 75206, executed by XTRA, Inc., TNW, and Texas North Western Railway Company).

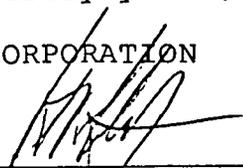
Except to the extent expressly modified by this letter agreement, the Agreement, including all of its terms and provisions, is hereby in all respects affirmed.

XTRA Leasing, Inc.
November 15, 1982
Page Three

Please indicate your agreement to this rate schedule by signing the enclosed duplicate of this letter where indicated and returning it to the undersigned at the address shown above.

Very truly yours,

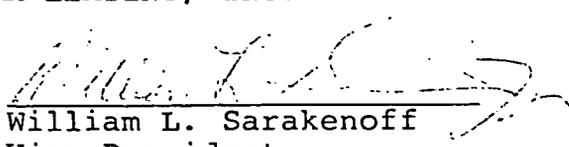
TNW CORPORATION

By: 

Peter K. Lutken, Jr.
President

AGREED AND ACCEPTED:

XTRA LEASING, INC.

By: 

William L. Sarakenoff
Vice President

EXHIBIT B

XTRA, Inc., c/o X-L-CO., Inc.
60 State Street
Boston, Massachusetts 02109

LOCOMOTIVE LEASE AGREEMENT

Contract #820605

This AGREEMENT made as of this 15th day of NOVEMBER, 1982, between XTRA, INC., a Maine corporation, (hereinafter "Lessor") and TNW CORPORATION, a Texas corporation, 6116 North Central Expressway, Dallas, Texas, 75206, a Texas corporation, (hereinafter "Lessee").

W I T N E S S E T H:

1. Lessor hereby leases and lets to Lessee, and Lessee hereby hires and takes from Lessor for the term and upon the conditions hereinafter stated, two (2) locomotive units (hereinafter "Units") as described in Schedule A, attached hereto and made a part hereof.

2. Lessee's commitment to accept and lease the Units hereunder shall commence as of the date first above written. All of Lessee's other obligations hereunder (including, but not limited to, rental payments) relative to the use and possession of the Units shall commence as to each Unit on the date of delivery of the Unit to the Lessee and shall continue for a term of five (5) years from the date of delivery of the last Unit to Lessee unless sooner terminated as provided herein.

3. Lessor shall deliver said Units to Lessee at either Etter Junction, Texas, or Liberal, Kansas, at Lessee's option. At the time of said delivery to Lessee, representatives of each of the parties hereto shall perform a joint inspection of each Unit and, except as otherwise determined by said joint inspection, each Unit shall

be considered to be in good repair and operating condition at the time of delivery.

4. Lessee shall pay to Lessor as total rental for the Units the sum of \$438,240, which sum shall be payable in sixty (60) installments, as set forth below. Rental shall not apply on any Unit while it is undergoing Heavy Repairs as defined in Schedule B attached hereto and made a part hereof or on a Unit which suffers an Event of Loss as hereinafter defined. Lessor shall render a monthly invoice to Lessee reflecting the rent due for the prior month calculated at the rate of \$120 per day for each locomotive, and Lessee shall pay same within ten (10) days of the date of such invoice. In the event any amounts due hereunder shall not be paid promptly when due, Lessee shall pay Lessor interest on such overdue amount from the due date thereof to the date of payment thereof at a rate equal to the lessor of (i) 18% per annum or (ii) the maximum rate permitted by law.

5. The fuel level in each Unit shall be recorded upon delivery to Lessee and again upon return to Lessor, and upon return of all Units to Lessor, net balance of fuel furnished by one party to the other shall be determined. The party in deficit shall accept billing and pay for fuel furnished such deficit party by the other party. Billing for fuel settlement shall be in accordance with GMA Rules as hereinafter defined.

6. Lessee shall, at its expense, maintain said Units in good repair and operating condition and shall return the same to Lessor upon termination of this Agreement to either Etter Junction, Texas, or Liberal, Kansas, at Lessor's option, in the same condition as when received by Lessee, normal wear and tear excepted, subject to the limitations described in Schedule B. At the time of the return of each Unit to Lessor, representatives of each of

the parties hereto shall perform a joint inspection and, except as otherwise determined by said joint inspection, each Unit shall be considered to be in good repair and operating condition at the time of return. If Lessee shall return any of said Units to Lessor in an inoperative condition or in other than good repair, Lessor shall have the option of: (1) requiring Lessee to repair the Units before accepting return of same from Lessee or (2) accepting return of the Unit from Lessee and making the repairs at Lessee's expense. Lessee's obligation to pay for such repairs shall be limited to its responsibility under Schedule B. In the event Lessor shall elect to repair said Unit, Lessor shall be permitted to bill Lessee for applicable additional charges as provided in the rules covering preparation of joint facility and other bills between carriers, including the schedule of equipment rental and other rental rates as promulgated by the General Managers' Association of Chicago or any successor association (hereinafter "GMA Rules"). Lessee shall pay to Lessor the amount billed for such repairs upon receipt of bills therefor.

7. Lessee shall, at its own expense, perform all inspections in accordance with any applicable federal or state laws or regulations.

8. Lessee shall be solely responsible for each of said Units and for all loss or damage thereto from the time each Unit is delivered to Lessee until that Unit is returned to Lessor. In the event that any Unit shall be or become damaged beyond repair, destroyed, lost, stolen, confiscated or permanently rendered unfit for use for any reason whatsoever, or title thereto shall be requisitioned or otherwise taken by any governmental authority (any of such occurrences being referred to as an "Event of Loss"),

such Event of Loss shall promptly be reported by Lessee to Lessor. Lessor reserves the right to make the final determination as to whether an Event of Loss has, in fact, occurred. In the event of an Event of Loss from any cause whatsoever and howsoever arising, Lessee shall pay to Lessor the Stipulated Loss Value of the Unit(s) as set forth on Schedule C attached hereto and made a part hereof.

9. Lessee shall not sublet, assign or transfer any interest in any of said Units or this Agreement, without the written consent of Lessor; provided, however, that Lessee may freely sublet, assign or transfer any interest in any of said Units, or this Agreement to Texas North Western Railway Company.

10. Lessee does hereby, for itself, its successors and assigns, covenant and agree that it will forever indemnify and save harmless Lessor, its agents, employees, stockholders, officers and directors from and against all damages, claims for damages, suits, actions, losses, costs, judgments and expenses arising out of injury to or death of any persons whomsoever (including the employees, officers, agents or contractors of the parties hereto) or arising out of the damage to any property (including the Units) of any persons whomsoever (including the parties hereto, their employees, officers, agents or contractors) in any manner resulting from or growing out of the condition of any of said Units or out of their use, operation or existence from the time each of said Units is delivered to Lessee until that Unit is returned to Lessor, which is due to the willful acts or negligence of Lessee, its employees, officers, agents or contractors.

11. LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTY WHATSOEVER, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND LESSOR NEITHER

ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY LIABILITY OF ANY KIND WHATSOEVER WITH RESPECT TO THESE UNITS. LESSOR SHALL HAVE NO LIABILITY TO LESSEE FOR ANY CLAIM, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALY OR CONSEQUENTIALY BY THE UNITS, BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN, BY ANY INCIDENT WHATSOEVER IN CONNECTION THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS AGREEMENT, INCLUDING LIABILITY ARISING FROM ANY ACT OR OMISSION OF LESSOR.

12. (a) Lessee, at its own expense, will cause to be carried and maintained at all times during the term of this Agreement property damage and personal injury liability insurance covering the Units in the names of Lessor and Lessee in such amounts and in such form as is acceptable to Lessor and as is commonly maintained on comparable equipment by companies similarly situated. In all events Lessee will cause to be carried and maintained in the names of Lessor and Lessee insurance against all risks of physical damage to the Units as provided under a standard all-risk policy, in an amount not less than the depreciated replacement value of th Units as defined in Section 8 hereof.

(b) The policies of insurance required under this Section 12 shall be valid and enforceable policies issued by insurers of recognized responsibility acceptable to Lessor. Evidence of such insurance shall be delivered by Lessee to Lessor. Such insurance may be blanket insurance covering other equipment not covered by this Agreement, provided that any blanket insurance shall in an accompanying certificate of insurance or rider specifically designate the Units described in such supplement

as being included therein and covered thereby to the full extent of the amounts herein required and shall name Lessor and Lessee as insured parties thereunder with respect to such Units. All such policies shall contain an agreement by the insurers that such policies shall not be cancelled without at least ten (10) days' prior written notice to Lessor and that the insurer will give notice to Lessor in the event of nonpayment of premium by Lessee when due.

13. Lessor agrees to assume responsibility for and to pay all ad valorem and sales taxes levied upon the Units, together with any penalties, fines, or interest thereon, imposed on any Unit by any federal, state, local or foreign government or taxing authority. Lessee agrees to pay any other tax, tariff, duty, custom, switching, demurrage or other charge made by any governmental, railroad or other agency in respect of any of the Units (hereafter "Impositions"), and Lessee agrees to pay or reimburse Lessor promptly for any such Impositions.

14. It is understood and agreed that Lessor will retain full ownership in the Units. No title, legal or equitable, will be vested in Lessee, and Lessee will take the Units subject to all leases and/or financing to which they may be subject.

15. Lessee shall at no time permit any mechanics or other liens or claims to accrue or exist against any of said Units and shall protect, indemnify and save harmless Lessor on account of any such liens or claims.

16. Each of said Units shall for the purpose of this Agreement be deemed to be in the sole possession, custody and control of Lessee from the time that the Unit is delivered by Lessor to Lessee as aforesaid until it is returned to Lessor by Lessee pursuant to Section 6 hereof.

17. Upon or before the delivery to Lessee of each of the Units, Lessor will cause to be plainly, distinctly, permanently and conspicuously placed and fastened on each side of such Unit a metal plate on which plainly and conspicuously appear the following words in letters not less than one inch in height:

"XTRA, Inc., Owner and Lessor
Portland, Maine"

Lessee shall not obliterate, alter or change any lettering, plate or number applied to any of said Units when delivered to Lessee. In case, during the continuance of this Lease, any such lettering, plate or number shall at any time be painted over or otherwise made inconspicuous, removed, defaced or destroyed on any Units, Lessee shall immediately cause the same to be restored or replaced. Lessee will not allow the name of any person, association, or corporation to be placed on any of the Units as a designation which might be interpreted as indicating a claim of ownership thereof by any person, association or corporation other than Lessor or its assignee; but the Units may be lettered with the names or initials or other insignia customarily used by Lessee on equipment of the same or a similar type for convenience of identification of the rights to use and operate the Units under this Agreement.

18. Lessee agrees that its use of the Units will be in full compliance with all applicable laws, rules and regulations, state, federal and municipal, and with those promulgated by the Association of American Railroads and the Federal Railway Association. Lessee agrees to indemnify and save harmless Lessor from and against liability or expense, including attorneys' fees, arising out of its use of the Units in violation of the above-mentioned laws, rules or regulations.

19. (a) If Lessee defaults or fails to perform any of its obligations hereunder, Lessor may, at its election:

(1) Declare the entire amount of rent hereunder immediately due and payable as to any or all Units, without notice or demand to Lessee.

(2) Sue for and recover all rents and other payments then accrued or thereafter accruing, with respect to any or all Units.

(3) Take possession of all or any Units, without demand or notice, wherever the same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of such possession. Any said taking of possession shall not constitute a termination of this Agreement as to any or all Units unless Lessor expressly so notifies Lessee in writing.

(4) Terminate the Agreement as to any or all Units.

(5) Pursue any other remedy at law or in equity.

Notwithstanding any said repossession or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations to be performed by Lessee under this Agreement. All such remedies are cumulative and may be exercised concurrently or separately.

(b) Events of Default include:

(1) A default in the performance of Lessee's obligations to make payments under this Agreement and the continuance of such default for ten (10) days after written notice thereof from Lessor.

(2) A default in the observance or performance of any other of the covenants, conditions and agreements on the part of Lessee contained herein and continuance of such default for ten (10) days after written notice from Lessor to Lessee specifying the default and demanding the same to be remedied.

(3) Any representation or warranty made by Lessee in connection with this Agreement which is untrue in any material respect, or any statement, report, schedule, notice or other writing furnished by Lessee in connection herewith which is untrue in any material respect on the date as of which the facts are set forth or certified.

(4) Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature, or applies for or acquiesces in the appointment of a trustee or a receiver, or any bankruptcy, insolvency, dissolution or liquidation proceeding is instituted against it.

(5) Any execution or any other writ of process shall be issued in any action or proceeding against Lessee whereby the Units or any one of them may be seized, taken or distrained.

20. Each of the parties hereto certifies to the other that, to the best of their knowledge, no payments, commissions, bribes or other type of similar payments, whether direct or indirect, have or will be received by an employee of either of them or their respective subsidiaries or agents in connection with this transaction.

21. Failure or delay of Lessor to require full compliance with any one or more of the terms of this Agreement shall not be interpreted as a waiver of those terms

or of Lessor's right to subsequently insist on full compliance therewith or to take such action as might be lawfully authorized hereunder, either at law or in equity.

22. This Agreement is to be interpreted in accordance with the laws of Delaware.

23. This instrument constitutes the entire Agreement between the parties hereto regarding this transaction, shall be binding upon, and inure to the benefit of their respective successors and personal representatives, and may not be modified or amended, except in writing, signed by both parties hereto. Any provision hereof prohibited by rule or law shall be held to be of no effect, to the extent of that prohibition, and the remaining provisions hereof enforced in accordance with their respective terms.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

ATTEST:

Margaret E. Hulland

XTRA, INC.

By [Signature]

ATTEST:

Scott Bradley

TNW CORPORATION

By [Signature]

SCHEDULE A

Two diesel-electric locomotive units bearing identifying marks and numbers TNW 100 and TNW 273.