NO. 1

# LEASE SCHEDULE

This Lease Schedule (the "Schedule") dated as of March 15, 1996 is attached to and made a part of that Master Equipment Lease Agreement (the "Lease") dated as of March 15, 1996 between DAKOTA RAIL, INC., a South Dakota corporation ("Lessor") and RAILAMERICA EQUIPMENT CORP., a Delaware corporation ("Lessee"). Capitalized terms used herein without definition shall have the meanings subscribed to such terms in the Lease.

1. Equipment Leased. The Equipment leased under the Lease is as follows:

Description of Cars: Six (6) T055 Tank Cars and ninety-four (94) T105 Tank Cars manufactured by North America Car Corporation

Car Numbers: TMCX 22898-22901, 22903, 22914, 8216, 8220-8223, 8325-8327, 22905, 22924, 22925, 22927-22929, 22933, 22935, 22948, 22950-22952, 22958-22965, 22967, 22969-22971, 22973, 22975, 22976, 22983-22988, 22990, 22992, 22994, 22995, 23101-23107, 23109, 23130, 23132, 23134, 23137, 23138, 23140, 23141, 23144, 23146, 23165, 23166, 23168, 23169, 23173, 23174, 23176-23180, 23182, 23185, 23186, 23189-23191, 23200, 23201, 23203, 23204, 23207, 23208, 23212, 23214, 23218, 23219, 24028, 24253, 24322

2. Term. The Term shall be seven (7) years unless sooner terminated in accordance with the provisions of the Lease.

3. Rent. Rent shall be as set forth below:

(a) Basic Rent. Commencing on the first day of the month in which the Basic Rent Commencement Date (defined in the Acceptance Certificate) falls and on the first day of each month thereafter through the expiration of the Term, Lessee shall make 84 consecutive installments of Basic Rent. Payments of Basic Rent shall be made monthly in advance. Such monthly installments shall be supplied by Lessor in the Acceptance Certificate.

(b) Interim Rent. With respect to each item of Equipment to which Interim Rent applies, Lessee shall pay Lessor Interim Rent Equal to the following product: (i) the purchase price for such item of Equipment paid by Lessor to Lessee, times (ii) the Prime Rate (as hereinafter defined) in effect on such day, divided by (iii) three hundred sixty five (365) days, times (iv) the number of days in the Interim Term. The Interim Rent shall be payable on the Basic Term Commencement Date. The Prime Rate, as used herein shall mean a fluctuating rate of interest announced from time to time by First Union National Bank of North Carolina as its Prime Rate, which may not necessarily be

its best lending rate, and shall change each time and become effective as of the date that First Union National Bank of North Carolina announces a change.

All Rent due hereunder shall be paid by wire transfer, certified check or other check in United States dollars in immediately available funds as specifically provided below:

Dakota Rail, Inc.

_____

_____

4. Acceptance Date. The date by which Equipment listed above must be accepted by delivery to Lessor of an Acceptance Certificate is March 15, 1996.

5. Return Provisions. Special return provisions relating to the Equipment shall be as set forth below:

Return of Equipment. Upon the occurrence of a default under the Lease and the Lessor's exercise of its rights under Section 8(dd) thereof, the Lessee shall return the Equipment at its sole expense to Lessor at a place designated by Lessor in the same operating order, repair and condition as when originally received by Lessee hereunder, ordinary wear and tear excepted, and in a condition which will permit Lessor to be eligible for a standard maintenance contract without incurring any expense to repair or rehabilitate the Equipment. Additionally, Lessee shall comply with the following:

Lessee agrees to return the Equipment leased under any Schedule to Lessor at a location designated by the Lessor in writing, suitable for interchange service, empty and free from residue and in the same good condition as when such Equipment was delivered to Lessee by Lessor, ordinary wear and tear excepted. Lessee shall, on demand, reimburse Lessor for the cost of repairing of damage to the Equipment or to the fittings appliances or appurtenances thereto, caused by the commodities transported therein or thereon. If any Equipment is returned to Lessor (i) requiring repair or replacement of fittings or appurtenances, (ii) not free from accumulations or deposits, or (iii) unsuitable for interchange service, such Equipment shall remain on rental until the earliest of thirty (30) days from the date of return or the date the accumulations and deposits have been removed.

In the event that any Equipment is not delivered to Lessor as provided in this Section 5 all of the obligations of Lessee under this Agreement with respect to such Equipment shall remain in full force and effect until such Equipment is so delivered to Lessor.

Lessee agrees, upon request from Lessor, to provide free storage of any Equipment delivered to Lessor pursuant to this Section 5 for ninety (90) days after delivery of such Equipment to Lessor.

6. Stipulated Loss Value. The Stipulated Loss Values will be provided to Lessee by Lessor on the final Equipment funding date and will be set forth in the Stipulated Loss Value Exhibit(s) to become attached hereto and incorporated herein.

7. Lessee's Purchase Option. So long as this Lease shall not be earlier terminated, at the expiration of the Term, the Lessee shall have the option to purchase all but not less than all of the Equipment from the Lessor on an "as-is," "where is" basis without recourse or warranty for an amount equal to thirty percent (30%) of the Original Equipment Cost.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Schedule No. 1 to be executed under seal as of the day and year first above written.

**LESSOR:**

DAKOTA RAIL, INC.

By: _____

Name: JOHN H MARINO

Title: PRESIDENT

**LESSEE:**

RAILAMERICA EQUIPMENT CORP.

By: _____

Name: JOHN H MARINO

Title: VICE PRESIDENT

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State of VIRGINIA

County of FAIRFAX

I, ANNE PARK, a Notary Public in and for said state and county, do hereby certify that JOHN N. MARINO personally appeared before me this day and acknowledged his due execution of the foregoing Lease Schedule No. 1.

Witness my hand and official seal this 13 day of MARCH, 19 96

Anne Park

Notary Public

My commission expires: 30 Nov 96

State of VIRGINIA

County of FAIRFAX

I, ANNE PARK, a Notary Public in and for said state and county, do hereby certify that JOHN N MARINO personally appeared before me this day and acknowledged his due execution of the foregoing Lease Schedule No. 1.

Witness my hand and official seal this 13 day of March, 19 96

Anne Park

Notary Public

My commission expires: 30 Nov 96

# STIPULATED LOSS VALUE

NO. 1

# ACCEPTANCE CERTIFICATE

With respect to that Master Equipment Lease Agreement dated as of March 15, 1996, between DAKOTA RAIL, INC., a South Dakota corporation ("Lessor") and RAILAMERICA EQUIPMENT CORP., a Delaware corporation ("Lessee"), and Lease Schedule No. 1 dated as of March 15, 1996, Lessee hereby certifies, represents and agrees that:

(a) Capitalized terms used herein shall have the meanings given to such terms in the Lease;

(b) The Equipment identified in the Schedule (the "Scheduled Equipment") has been delivered to the locations specified therein;

(c) Lessee has conducted such inspection and testing of the Scheduled Equipment as Lessee deems necessary and appropriate and Lessee acknowledges that the Scheduled Equipment is in good condition and is performing satisfactorily and that Lessee accepts the Scheduled Equipment for all purposes;

(d) Lessee agrees that the Lease of the Scheduled Equipment is a "finance lease" as such term may be defined in the provisions of any Uniform Commercial Code applicable hereto. Further, Lessee acknowledges that: (i) Lessor has not selected, manufactured or supplied the Scheduled Equipment; (ii) Lessor has acquired the Scheduled Equipment or the right to possession and use of the Scheduled Equipment in connection with the Lease; and (iii) one of the following has occurred: (I) Lessee has received a copy of the contract by which Lessor acquired the Scheduled Equipment or the right to possession and use of the Scheduled Equipment before signing this Lease; (II) Lessee's approval of the contract by which Lessor acquired the Scheduled Equipment or the right to possession and use of the Scheduled Equipment is a condition to effectiveness of this Lease; (III) Lessee, before signing this Lease, has received an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the Scheduled Equipment, provided to Lessor by the person supplying the Scheduled Equipment in connection with or as part of the contract by which Lessor acquired the Scheduled Equipment or the right to possession and use of the Scheduled Equipment or (IV) Lessor, before Lessee signs this Lease, has informed Lessee in writing (x) of the identity of the person supplying the Scheduled Equipment to Lessor, unless Lessee has selected that person and directed Lessor to acquire the Scheduled Equipment or the right to possession and use of the Scheduled Equipment from that person, (y) that Lessee is entitled to the promises and warranties, including those of any third party, provided to Lessor by the person supplying the Scheduled Equipment in connection with or as part of the contract by which Lessor acquired the Scheduled Equipment or the right to possession and use of the Scheduled Equipment, and (z) that Lessee may communicate with the person supplying the Scheduled Equipment to Lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of them or of remedies;

(e) The Lease, the Schedule(s) and all Acceptance Certificates delivered in connection herewith, therewith and together with any written lease commitments issued by Lessor, constitute the entire indivisible agreement between the parties, and this Lease and such other documents shall not be modified, amended, altered or changed except by written agreement signed by the parties.

Intent. It is the express intent and election of the parties that for the limited purposes of entitlement to the accelerated cost recovery deductions under Section 168 of the Internal Revenue Code of 1986, as amended, this agreement shall not be deemed to constitute a lease and Lessor shall not be treated as the owner of the Scheduled Equipment. For all other purposes, this agreement shall constitute a lease and not a sale of the Scheduled Equipment, and Lessee shall acquire no ownership, title, property, right, or interest (or any option therefor other than as may be expressly provided in the Lease Schedule(s) in the Scheduled Equipment other than its leasehold interest solely as Lessee subject to all the terms and conditions hereof. At the request of Lessor, Lessee agrees to conspicuously mark the Scheduled Equipment with appropriate labels so as to clearly disclose the title of the Scheduled Equipment in Lessor.

Prepayment. Lessee shall be entitled to prepay on any due date for an installment of Rent all, but not less than all Rent, due and to become due under the Lease, with respect to the Scheduled Equipment for an amount equal to (i) accrued and unpaid Rent and other amounts then due under the Lease; (ii) Stipulated Loss Value as of the date of payment and (iii) a prepayment premium equal to 5% of the amount set forth in clause (ii) above.

The above Equipment is accepted this 15th day of March, 1996.

**LESSEE:**

RAILAMERICA EQUIPMENT CORP.

By _____

Name JOHN H MAXINO

Title VICE PRESIDENT

**Physical address for sales/use tax and property tax purposes:**

**Street:**_____
**City:**_____
**County:**_____
**State:**_____

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**In accordance with Lessee's directions to Lessor to acquire the Equipment and consistent with the agreement of Lessee and Lessor, Lessor advises the Lessee as follows:**

1. **Funding Date and Rent Commencement Date:**
2. **Interim Term: Commencing on the Rent Commencement Date and extending through _____, 19_____.**
3. **Interim Rent:**
4. **Basic Rent Commencement Date:**
5. **Basic Rent: [*months*] 01-_____: $_____**
6. **Original Equipment Cost: $_____**

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State of VIRGINIA

County of FAIRFAX

I, ANNE PARK, a Notary Public in and for said state and county, do hereby certify that JOHN H. MARINO personally appeared before me this day and acknowledged his due execution of the foregoing Acceptance Certificate.

Witness my hand and official seal this 13 day of MARCH, 1998.

Anne Park
Notary Public

My commission expires: 30 Nov 98

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