

1-361A052

Stroock & Stroock & Lavan

Seven Hanover Square
New York, New York 10004-2594

17644 A
RECORDATION NO. _____ FILED 1425
DEC 27 1991 1:29 PM
INTERSTATE COMMERCE COMMISSION

212 806 5400
Fax 212 806 6006
Telex 177693 STROOCK NY

Richard H. Kronthal
212 806 6039

17644 B
RECORDATION NO. _____ FILED 1425

December 27, 1991 DEC 27 1991 1:29 PM

INTERSTATE COMMERCE COMMISSION

Mr. Sidney L. Strickland
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

17644
RECORDATION NO. _____ FILED 1425

DEC 27 1991 1:29 PM

INTERSTATE COMMERCE COMMISSION

Dec 27 1 29 PM '91
MOTOR OPERATING UNIT

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three fully executed and acknowledged copies (one original and two notarized photocopies) of (1) a Lease Agreement, dated November 22, 1991 (the "Lease"), between K/S Nordic Railcarleasing (the "Lessor") and The State of Maryland acting through the Department of Transportation of Maryland (the "Lessee"); (2) a Security Agreement, dated as of December 27, 1991 (the "Security Agreement"), between the Lessor, as grantor, and the Lessee, as secured party; and (3) a Subordination Agreement, dated as of December 27, 1991, between The State of Maryland acting through the Department of Transportation of Maryland and Barclays Bank PLC (the "Subordination Agreement").

The Lease, Security Agreement and Subordination Agreement are primary documents as defined in the Interstate Commerce Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

The names and addresses of the parties to the documents are as follows:

40282980

Washington, D C 20036-4652
1150 Seventeenth Street N W
202 452 9250

Los Angeles, CA 90067-3086
2029 Century Park East
213 556 5800

Miami, FL 33131-2385
200 South Biscayne Boulevard
305 358 9900

H-1052 Budapest, Hungary
Városház u 16
361 118 9491 / 118 9037

Katherine Stewart
Clara...

Stroock & Stroock & Lavan

Mr. Sidney L. Strickland
December __, 1991
Page 2

Lessor (under the Lease) and Grantor (under the Security Agreement):

K/S Nordic Railcarleasing, a limited partnership established
under the laws of Denmark
Kobmagergade 19
1150 Copenhagen K
Denmark

Lessee (under the Lease), Secured Party (under the Security Agreement) and party to Subordination Agreement:

The State of Maryland acting through the Department of
Transportation of Maryland
10 Elm Road
P.O. Box 8755
BWI Airport
Maryland 21240

Party to Subordination Agreement:

Barclays Bank PLC
29 Gracechurch Street
London EC3V OBE

A description of the railroad equipment covered by the enclosed documents is as follows:

Forty-nine (49) railcars, manufactured by Sumitomo Corporation of America, and consisting of (i) twenty-five (25) MARC IIB railcars, consisting of 6 Cab Control Cars-E/H (bearing car numbers 7757-7762), 9 E/H Trailer Cars (bearing car numbers 7791-7799) and 10 Trailer Cars (bearing car numbers 7716-7725), all such numbers being inclusive, and (ii) twenty-four (24) MARC II railcars, consisting of 6 Trailer Cars (bearing car numbers 7700-7705), 6 Trailer Cars (bearing car numbers 7710-7715) and 12 Cab Control Cars-E/H (bearing car numbers 7745-7756), all such numbers being inclusive.

Also enclosed is a check in the amount of \$48.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee of \$16.00 for each of the three enclosed documents. Please return the original and any extra copies not needed by the

Stroock & Stroock & Lavan

Mr. Sidney L. Strickland
December __, 1991
Page 3

Commission for recordation to: Richard H. Kronthal, Esq., Stroock & Stroock & Lavan, 7 Hanover Square, New York, NY 10004.

A short summary of the documents to appear in the index follows:

(1) Lease Agreement, dated November 22, 1991, between K/S Nordic Railcarleasing, a limited partnership established under the laws of Denmark (the "Lessor") and The State of Maryland acting through the Department of Transportation of Maryland (the "Lessee") with respect to forty-nine (49) railcars, manufactured by Sumitomo Corporation of America, and consisting of (i) twenty-five (25) MARC IIB railcars, consisting of 6 Cab Control Cars-E/H (bearing car numbers 7757-7762), 9 E/H Trailer Cars (bearing car numbers 7791-7799) and 10 Trailer Cars (bearing car numbers 7716-7725), all such numbers being inclusive, and (ii) twenty-four (24) MARC II railcars, consisting of 6 Trailer Cars (bearing car numbers 7700-7705), 6 Trailer Cars (bearing car numbers 7710-7715) and 12 Cab Control Cars-E/H (bearing car numbers 7745-7756), all such numbers being inclusive.

(2) Security Agreement, dated as of December 27, 1991, between K/S Nordic Railcarleasing, a limited partnership established under the laws of Denmark, as grantor, and The State of Maryland, acting through the Department of Transportation of Maryland, as secured party, with respect to forty-nine (49) railcars, manufactured by Sumitomo Corporation of America, and consisting of (i) twenty-five (25) MARC IIB railcars, consisting of 6 Cab Control Cars-E/H (bearing car numbers 7757-7762), 9 E/H Trailer Cars (bearing car numbers 7791-7799) and 10 Trailer Cars (bearing car numbers 7716-7725), all such numbers being inclusive, and (ii) twenty-four (24) MARC II railcars, consisting of 6 Trailer Cars (bearing car numbers 7700-7705), 6 Trailer Cars (bearing car numbers 7710-7715) and 12 Cab Control Cars-E/H (bearing car numbers 7745-7756), all such numbers being inclusive and the proceeds of all of the foregoing.

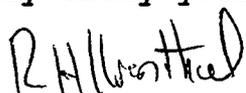
(3) Subordination Agreement, dated as of December 27, 1991, between The State of Maryland, acting through the Department of Transportation of Maryland ("MDOT") and Barclays Bank PLC ("Bank") with respect to the subordination of Bank's security interest relative to MDOT's security interest in that certain collateral, consisting of forty-nine (49) railcars, manufactured by Sumitomo Corporation of America, and consisting of (i) twenty-five (25) MARC IIB railcars, consisting of 6 Cab Control Cars-E/H (bearing car

Stroock & Stroock & Lavan

Mr. Sidney L. Strickland
December __, 1991
Page 4

numbers 7757-7762), 9 E/H Trailer Cars (bearing car numbers 7791-7799) and 10 Trailer Cars (bearing car numbers 7716-7725), all such numbers being inclusive, and (ii) twenty-four (24) MARC II railcars, consisting of 6 Trailer Cars (bearing car numbers 7700-7705), 6 Trailer Cars (bearing car numbers 7710-7715) and 12 Cab Control Cars-E/H (bearing car numbers 7745-7756), all such numbers being inclusive.

Very truly yours,



Richard H. Kronthal

RHK/ck
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/27/91

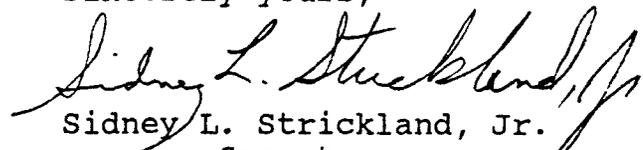
OFFICE OF THE SECRETARY

Richard H. Kronthal
Stroock & Stroock & Lavan
Seven Hanover Square
New York, N.Y. 10004-2594

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 12/27/91 at 1:30pm, and assigned recordation number(s) - 17644, 17644-A & 17644-B

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

17644

COMMISSION ON _____ FILE 1423

DEC 27 1991 - 1 30 PM

INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

Dated 22nd November, 1991

K/S NORDIC RAILCARLEASING

-and-

THE STATE OF MARYLAND acting through
THE DEPARTMENT OF TRANSPORTATION OF MARYLAND

WATSON, FARLEY & WILLIAMS

LONDON PARIS OSLO
Affiliated firm NEW YORK ATHENS

<u>CLAUSE</u>	<u>INDEX</u>	<u>PAGE</u>
1	DEFINITIONS	1
2	REPRESENTATIONS AND WARRANTIES	5
3	AGREEMENT TO LEASE	8
4	RENT	9
5	PAYMENTS	10
6	EXTENT OF OWNER'S LIABILITY	11
7	INDEMNITY	13
8	INSURANCE	17
9	LOCATION AND POSSESSION	18
10	COVENANTS	19
11	TERMINATION	21
12	PAYMENTS ON TERMINATION	25
13	RETURN OF EQUIPMENT	27
14	SALE OF EQUIPMENT	28
15	OPTION TO PURCHASE	29
16	COSTS AND EXPENSES	30
17	ASSIGNMENT	30
18	NOTICES	31
19	MISCELLANEOUS	32
20	LAW	32

APPENDIX A	SALE AND PURCHASE AGREEMENT
APPENDIX B	CLAUSE 3.04 REQUIREMENTS
APPENDIX C	TERMINATION VALUES
APPENDIX D	CERTIFICATE OF DELIVERY AND ACCEPTANCE
APPENDIX E	CLAUSE 3.06 REQUIREMENTS

THIS LEASE AGREEMENT is made on the 22nd day of November, 1991

BETWEEN

- (1) K/S NORDIC RAILCARLEASING a limited partnership established under the laws of Denmark ("Owner"); and
- (2) THE STATE OF MARYLAND acting through THE DEPARTMENT OF TRANSPORTATION OF MARYLAND ("Lessee")

WHEREAS

This Agreement sets out the terms and conditions on which the Owner will lease to the Lessee the Equipment hereinafter referred to.

NOW IT IS HEREBY AGREED

1. DEFINITIONS

- 1.01 In this Agreement, except where the context otherwise requires the following expressions shall have the following meanings:-

"Bank" means Barclays Bank PLC;

"Business Day" means any day on which banks in London, New York, and Copenhagen and (in relation only to a Payment Date and a Termination Date) Baltimore are open for business of the type contemplated by this Agreement;

"Commencement" means the date on and time at which title to and property in the Equipment passes to the Owner under the Sale and Purchase Agreement;

"Danish Taxes" means any Taxes imposed, withheld, levied or assessed by any national or local government or taxing authority of or in Denmark or any national or local or taxing authority thereof;

"Default Rate" means the rate of eight per cent (8%) per annum;

"Dollars" and "\$" means lawful money of the United States of America;

"Equipment" means and includes each and every railcar or other equipment purchased, or to be purchased, by the Owner pursuant to, and as specified in, the Sale and Purchase Agreement (including each or any part thereof) and all replacements and renewals of such equipment (including but not limited to renewals pursuant to Clause 12.04(b)) and component parts thereof and all additions and accessories to such equipment which form part thereof pursuant to Clause 10.03;

"Lease Period" means the Primary Period and the Secondary Period;

"Lessee" means The State of Maryland acting through The Department of Transportation of Maryland, a principal department and unit of the government of the State of Maryland, having its principal office at 10 Elm Road, P.O. Box 8755, BWI Airport, Maryland 21240, United States of America, and its successors and permitted assigns as lessee under this Agreement;

"Lien" means any attachment, mortgage, pledge, lien, charge, encumbrance, lease, exercise of rights, security interest or claims of any nature whatsoever;

"Loan" means the loan made by the Bank to the Owner pursuant to the Loan Agreement to enable the Owner to finance its purchase of the Equipment (and includes any amount borrowed by the Owner, from the Bank or some other person, by way of replacement of that loan) or as the context may require, the principal amount thereof outstanding from time to time;

"Loan Agreement" means an Agreement of even date herewith made between the Owner, as borrower, and the Bank, as lender;

"Losses" means any and all losses, costs, charges, expenses, fees, payments, liabilities, penalties, fines, judgments, damages or other sanctions of a monetary nature other than Taxes;

"Manufacturer" shall mean Sumitomo Corporation of America or any other manufacturer of the Equipment as the case may be;

"net proceeds of sale" has the meaning given to it in Clause 14.01;

"Operative Documents" means each of this Agreement, the Loan Agreement, the Sale and Purchase Agreement, the Security Assignment and the Security Agreement and all other agreements referred to in, or contemplated by, this Agreement or any such other document;

"Overdue Rate" means such annual rate as is conclusively certified by the Bank to be two and one half per cent (2 1/2%) per annum above the rate quoted to the Bank by prime banks in the London Interbank Market at or about 11.00 a.m. (London time) on the relevant date for deposits of Dollars for 3 months and in amounts (in the judgment of the Owner) comparable with amounts upon which interest shall for the time being be payable (or if the Bank shall determine that, by reason of circumstances affecting the London Interbank Market generally, adequate and reasonable means do not or will not exist for ascertaining such rate, the rate which represents the aggregate of two and one half per cent (2 1/2%) and the cost to the Owner of funding any amount due on which interest is payable as aforesaid), such interest to be payable on demand;

"Owner" includes the successors and assigns of the Owner;

"Owner Lien" means any Lien on any item of Equipment resulting from claims against the Owner arising from any act or omission of the Owner not related to the transactions contemplated by any of the Operative Documents;

"Payment Date" means subject to Clause 5.02 each of the dates specified in Clause 4.01;

"Permitted Owner Liens" means (i) any Owner Lien imposed on the general assets of the Owner under Danish law so long as the existence or enforcement thereof does not and would not adversely affect the Lessee's interest in the Equipment or impair the Owner's ability to transfer the Equipment in accordance with the Transfer Protocol if required to do so and (ii) Owner Liens relating to obligations that the Lessee is obligated to discharge under any Operative Document;

"Primary Period" means the period beginning on Commencement and ending on the 20th Payment Date, namely the Payment Date falling one hundred and twenty months after Commencement;

"Primary Period Rent" means the rent to be paid by the Lessee in respect of the Primary Period for the Equipment as specified in Clause 4.01(a);

"Sale and Purchase Agreement" means an Agreement to be entered into by the Lessee (as vendor) and the Owner (as purchaser) in the form set out in Appendix A;

"Secondary Period" means the period beginning on expiry of the Primary Period and ending on the 28th and final Payment Date, namely the Payment Date falling one hundred and sixty eight months after Commencement;

"Secondary Period Rent" means the rent to be paid by the Lessee in respect of the Secondary Period for the Equipment as specified in Clause 4.01(b);

"Security Agreement" means a security interest agreement to be entered into by the Owner as grantor and the Lessee as secured party in form and substance satisfactory to the Lessee;

"Security Assignment" means an Assignment of even date herewith made between the Owner, as assignor, and the Bank, as assignee;

"Termination Date" shall have the respective meaning given in Clause 11.04(a) and (b) and 12.01;

"Termination Value A" means as at any date the amount in Dollars calculated in accordance with the provisions of Appendix C;

"Termination Value B" means as at any date the amount in Dollars calculated in accordance with the provisions of Appendix C;

"Tax" shall include any and all present or future tax, levy, impost, duty or other charge of a similar nature, any amount treated as such and whenever created or imposed and of whatever jurisdiction including but not limited to, income tax, corporation tax, value added tax, customs and other import or export duty or excise duty payable to any revenue, customs or other authority having power to levy Tax and including all fines and penalties payable in connection with any failure to pay or any delay in paying any of the same;

"Total Cost" means the cost of the Equipment to the Owner as specified in or ascertained pursuant to the Sale and Purchase Agreement being the amount set out in the Sale and Purchase Agreement and being defined therein as the "Purchase Price";

"Total Loss" means in relation to any railcar forming part of the Equipment:

- (i) actual or constructive or compromised or agreed or arranged total loss of that item of Equipment including any such total loss as may arise during a requisition for hire, or
- (ii) destruction of or damage beyond repair to that item of Equipment or the permanent rendering of that item of Equipment unfit for normal use for any reason whatsoever, or
- (iii) requisition for title or any compulsory acquisition whatsoever of that item of Equipment (otherwise than by requisition for hire) by any governmental or other competent authority or by any person acting or purporting to act by authority of the same unless that item of Equipment is released therefrom and returned to the possession of the Lessee, and ownership of the Owner, within ninety days of the occurrence thereof, or
- (iv) any hijacking, theft, confiscation, forfeiture, seizure, condemnation, capture, restraint or disappearance of that item of Equipment unless that item of Equipment is released therefrom, and returned to the possession of the Lessee, and ownership of the Owner, within ninety days of the occurrence thereof;

"Total Loss Payment Date" means the date falling nine months after the date of the occurrence of a Total Loss;

"Transfer Protocol" means a transfer of the interest of any person in any item of Equipment on the following terms:

- (i) the transferor shall deliver an appropriate bill of sale (in recordable form if necessary or advisable) with respect to such item of Equipment stating that the transfer is on an "as is" and "where is" basis;
- (ii) the transferor shall make no (and may expressly disclaim any) representation of any kind in respect of such item of Equipment as to any matter whatsoever, including:
 - (A) title (except that the transferor shall warrant that it shall convey whatever title was conveyed pursuant to the Sale and Purchase Agreement free and clear of any Owner Liens other than Permitted Owner Liens),
 - (B) the condition, design, quality or capacity of such item of Equipment,
 - (C) the absence of obligations based on strict liability in tort, or

- (D) the merchantability of such item of Equipment; and
- (iii) the transferor shall assign, transfer and convey to its transferee all rights and remedies that the transferor may have, and is permitted to assign, transfer and convey, in relation to such item of Equipment in respect of any warranty, express or implied, as to title, materials, workmanship, design, performance or patent infringement and all other rights against the Manufacturer that have been assigned to the Owner under the Sale and Purchase Agreement for such item of Equipment and that the transferor may have;

"UK Taxes" means any Tax imposed, withheld, levied or assessed by any national or local government or taxing authority of the United Kingdom;

"UMTA" means the United States Urban Mass Transportation Administration or any successor agency;

"UMTA Concurrence" means the letter from UMTA to the Lessee dated 22nd November, 1991, in which UMTA concurs with the transactions contemplated hereby and by the other Operative Documents;

"United States Taxes" means any Tax imposed, withheld, levied or assessed by any national, state or local government or taxing authority of or in the United States of America.

- 1.02 References in this Agreement to a Clause or an Appendix are unless otherwise stated references to a Clause of or Appendix to this Agreement. Clause headings are inserted in this Agreement for convenience of reference only and shall be ignored in its construction. The Appendices form part of this Agreement. References to this Agreement or any other document herein shall be construed as references to this Agreement or such other document as amended or varied from time to time.

2. REPRESENTATIONS AND WARRANTIES

- 2.01 In order to induce the Owner to enter into the Sale and Purchase Agreement and this Agreement and to lease the Equipment to the Lessee under this Agreement the Lessee represents and warrants to the Owner that:-
- (a) the Lessee has full power to carry on its business as it is now being conducted and to enter into and perform its obligations under the Sale and Purchase Agreement and this Agreement and has complied with all statutory and other requirements relative to such business;
- (b) as at Commencement the Lessee will have full power to execute, deliver and perform its obligations under the Sale and Purchase Agreement and this Agreement and that all necessary action will have been taken by the Lessee to authorise the execution, delivery and performance of the Sale and Purchase Agreement and this Agreement;

- (c) as at Commencement all necessary governmental or other official consents, authorities and licences for the Lessee to execute, deliver and perform its obligations under the Sale and Purchase Agreement and this Agreement have been taken or obtained and, as at Commencement, no further governmental or other official consents, authorisations or licences will be necessary for the performance by the Lessee of its obligations under the Sale and Purchase Agreement and this Agreement;
- (d) assuming that all the obligations of the Owner under the Sale and Purchase Agreement and this Agreement are legal, valid and binding, as at Commencement the Sale and Purchase Agreement and this Agreement will constitute the legal, valid and binding obligations of the Lessee enforceable against the Lessee in accordance with their respective terms as the same may be limited by any laws from time to time relating to bankruptcy, insolvency, liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief or composition of debt;
- (e) the execution and delivery by the Lessee of, and the performance of the provisions of, the Sale and Purchase Agreement and this Agreement does not, and will not at any time during the Lease Period, contravene (i) any applicable law or regulation existing at the date of this Agreement or (ii) any contractual restriction binding on the Lessee the effect of a breach of which will have a material effect on the Lessee's ability to comply with the terms of the Sale and Purchase Agreement and this Agreement or (iii) any provision of the constitution of the Lessee;
- (f) no action, suit or proceeding is pending or threatened against the Lessee or any of its property or assets before any court, board of arbitration or administrative agency which, if adversely determined, could or might result in a material adverse change in the ability of the Lessee to perform its obligations under the Sale and Purchase Agreement or this Agreement;
- (g) the audited accounts for the Lessee for the year ended 30th June 1990 furnished to the Owner prior to the date of this Agreement present fairly the financial position of the Lessee as at the end of, and the results of its operations for, the relevant period;
- (h) there has been no material adverse change in the financial position of the Lessee from that presented in the accounts referred to in Clause 2.01 (g) which would materially affect the ability of the Lessee to meet its obligations under the Sale and Purchase Agreement and this Agreement;
- (i) no such event as is described in Clause 11.02, nor any event which with the giving of notice or lapse of time, or both, would constitute such an event, has occurred and is continuing;
- (j) except for such provisions as are expressed to be governed by Maryland law, the choice by the Lessee of English law to govern the Sale and Purchase Agreement and this Agreement and the submission by the Lessee to the non-exclusive jurisdiction of the Courts of England are valid and binding;

- (k) except as otherwise required by Maryland State Finance Code Section 12-202 the Lessee is not entitled to claim any immunity in relation to itself or its assets under any law or in any jurisdiction in connection with any legal proceedings relating to this Agreement, or in connection with the enforcement of any judgment or order arising from such proceedings;
- (l) it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Sale and Purchase Agreement and this Agreement that either of them or any other instrument be filed, recorded, registered or enrolled in a court, public office or elsewhere in the State of Maryland, except as a portfolio debt instrument and as may be required under the Uniform Commercial Code of Maryland.

2.02 In order to induce the Lessee to enter into the Sale and Purchase Agreement and this Agreement and to lease the Equipment from the Owner under this Agreement the Owner represents and warrants to the Lessee that:-

- (a) the Owner is and will remain a resident of Denmark, or an entity organised in Denmark or under the law of Denmark, entitled to the benefits of the Convention Between the United States and Denmark Relating to Taxes on Income;
- (b) the Owner (and each member of the Owner) is not a bank which takes deposits or makes loans;
- (c) the Owner is a limited partnership established under the laws of Denmark, has full power to carry on its business as it is now being conducted and to enter into and perform its obligations under the Operative Documents and has complied with all statutory and other requirements relative to such business;
- (d) the Owner has full power to execute, deliver and perform its obligations under the Operative Documents and that all necessary action has been taken by the Owner to authorise the execution, delivery and performance of the Operative Documents;
- (e) all necessary governmental or other official consents, authorities and licences for the Owner to execute, deliver and perform its obligations under the Operative Documents have been taken or obtained and, as of the date of the Operative Documents, no further governmental or other official consents, authorisations or licences are necessary for the performance by the Owner of its obligations under the Operative Documents;
- (f) assuming that all the obligations of the other parties to the Operative Documents are legal, valid and binding, the Operative Documents constitute the legal, valid and binding obligations of the Owner enforceable against the Owner in accordance with their respective terms as the same may be limited by any laws from time to time relating to bankruptcy, insolvency, liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief or composition of debt;

- (g) the execution and delivery by the Owner of, and the performance of the provisions of, the Operative Documents does not, and will not at any time during the Lease Period, contravene (i) any applicable law or regulation existing at the date of this Agreement or (ii) any contractual restriction binding on the Owner the effect of a breach of which will have a material effect on the Owner's ability to comply with the terms of the Operative Documents or (iii) any provision of the constitution of the Owner;
- (h) no action, suit or proceeding is pending or threatened against the Owner or any of its property or assets before any court, board of arbitration or administrative agency which, if adversely determined, could or might result in a material adverse change in the ability of the Owner to perform its obligations under the Operative Documents;
- (i) the Owner will not conduct any business or activity other than that of owner of the Equipment;
- (j) there are no Owner Liens, and the execution and delivery of this Agreement by the Owner will not create any Owner Lien, in respect of any item of Equipment other than Permitted Owner Liens.

3. AGREEMENT TO LEASE

- 3.01 The Owner shall purchase the Equipment pursuant to, and on the terms and conditions of, the Sale and Purchase Agreement. At Commencement the Owner shall lease the Equipment to the Lessee, and the Lessee shall take on lease from the Owner (and shall have no right to reject) the Equipment, on an "as is where is" basis (without prejudice to claims by either the Owner or the Lessee against the Manufacturer or any third party) upon and subject to the terms and conditions contained in this Agreement. At Commencement the Lessee, by way of evidence of the commencement of the Primary Period, shall sign a certificate of delivery and acceptance in the form set out in Appendix D.
- 3.02 The leasing of the Equipment under this Agreement shall commence on Commencement and shall, unless terminated in accordance with the provisions of this Agreement, continue thereafter for the Primary Period.
- 3.03 (a) Following the expiry of the Primary Period the leasing of the Equipment under this Agreement shall, unless terminated in accordance with the provisions of this Agreement, continue for the Secondary Period.

(b) Following the expiry of the Secondary Period the leasing of the Equipment under this Agreement shall end.
- 3.04 The obligation of the Owner to purchase Equipment under the Sale and Purchase Agreement and to lease the Equipment to the Lessee is subject to and conditional upon (a) no such event as is described in Clause 11.02 having occurred, and no other event having occurred and being continuing unremedied which, with the giving of notice and/or lapse of time, would if not remedied constitute such an event and (b) the representations and warranties contained in Clause 2.01 being true and

correct and (c) the Lessee delivering to the Owner each of the documents or other items specified in Appendix B in form and substance satisfactory to the Owner provided always that the requirements of this Clause 3.04, which are for the benefit of the Owner, may be waived by the Owner in its discretion in whole or in part and with or without conditions.

- 3.05 The Owner shall in any event be under no obligation to lease Equipment to the Lessee if the conditions described in Clause 3.04 are not for any reason satisfied on or before 31st December, 1991.
- 3.06 The obligations of the Lessee to sell the Equipment under the Sale and Purchase Agreement and to take on lease the Equipment is subject to and conditional upon (a) no such event as is described in Clause 11.04 having occurred, and no other event having occurred and being continuing unremedied which, with the giving of notice and/or lapse of time, would if not remedied constitute such an event and (b) the representations and warranties contained in Clause 2.02 being true and correct and (c) the Owner delivering to the Lessee each of the documents specified in Appendix E in form and substance satisfactory to the Lessee provided always that the requirements of this Clause 3.06, which are for the benefit of the Lessee, may be waived by the Lessee in its discretion in whole or in part and with or without condition.

4. RENT

4.01 The Lessee shall pay rent to the Owner for the Equipment in arrears by instalments as follows:-

- (a) in respect of the Primary Period an instalment of rent in an amount of Dollars of 4.1822 per cent. of the Total Cost shall be due and payable on each Payment Date set out below,

Payment Date

30.6.92
31.12.92
30.6.93
31.12.93
30.6.94
31.12.94
30.6.95
31.12.95
30.6.96
31.12.96
30.6.97
31.12.97
30.6.98
31.12.98
30.6.99
31.12.99
30.6.00
31.12.00
30.6.01
31.12.01

- (b) in respect of the Secondary Period an instalment of rent in an amount of Dollars of 4.1822 per cent. of the Total Cost shall be due and payable on each Payment Date set out below

Payment Date

30.6.02
31.12.02
30.6.03
31.12.03
30.6.04
31.12.04
30.6.05
31.12.05

5. PAYMENTS

- 5.01 All payments to be made by or on behalf of the Lessee under this Agreement in respect of rent or Termination Value A or under Clause 5.03(a) or with reference to any such payment as aforesaid shall be irrevocably made in Dollars for value not later than noon (local time in the place of payment) on the due date for payment thereof to the Loan Account (as such term is defined in the Loan Agreement) and all other payments to be made by or on behalf of the Lessee under this Agreement including, but without limitation, Termination Value B shall be irrevocably made in Dollars for value not later than noon (local time in the place of payment) on the due date for payment thereof to such account of the Owner in London as the Owner shall from time to time notify to the Lessee. Time of payment of rent and other payments under this Agreement shall be of the essence of this Agreement.
- 5.02 If any rent or other payment falls due under this Agreement on a day which is not a Business Day, such payment shall be made on the immediately preceding Business Day but the amount of the relevant payment shall not be adjusted.
- 5.03 (a) If the Lessee fails to pay on the due date for payment thereof any rent falling due under this Agreement or Termination Value A or any other amount payable or calculated with reference to any such payments the Lessee shall, without prejudice to any other rights which the Owner may have as a result of such failure, pay interest at the Default Rate on such rent or Termination Value A or other amount from the due date for payment thereof until actual payment thereof (both before and after any relevant judgment) and such interest shall be payable on demand.
- (b) If the Lessee fails to pay on the due date for payment thereof Termination Value B or any other payment other than rent or Termination Value A, the Lessee shall, without prejudice to any other rights which the Owner may have as a result of such failure, pay interest at the Overdue Rate on such Termination Value B or other payment from the due date for payment thereof until actual payment thereof (both before and after any relevant judgment) and such interest shall be payable on demand.

- 5.04 All payments to be made under this Agreement (whether of rent, interest or otherwise) shall be made by the Lessee free from any set-off, claim, counter-claim or demand against the Owner except as required by Maryland State Finance Code Section 7-222 in relation to any payment to be made by the Lessee hereunder (other than any Specified Lease Payments (as defined in the Security Assignment)) and free and clear of any deduction or withholding that is required by the law of the United States of America in which event the Lessee shall pay to and/or indemnify the Owner for such additional amounts as shall be necessary in order that the net amount received by the Owner after all such deduction or withholding shall be not less than such amount would have been in the absence of the relevant requirement to make such deduction or withholding, except that the Lessee shall not be required to pay an additional amount to the Owner with respect to any Taxes excluded from indemnification pursuant to Clause 7.03(c) to (k) inclusive. The Lessee will promptly deliver to the Owner any receipts, certificates or other proof evidencing the amounts paid or payable by it in respect of any such deduction or withholding as aforesaid. Payment of additional amounts hereunder will not preclude and shall be without prejudice to, claims by the Lessee against any third party or the Manufacturer or the right to maintain an independent action.
- 5.05 Notwithstanding any provision in this Agreement to the contrary, the Lessee represents and warrants that as of Commencement it shall have received appropriations from relevant authorities to make aggregate payments under this Agreement in an amount not less than the amount of the Loan immediately following Commencement. The Lessee reasonably believes that legally available funds can be obtained sufficient to make all payments due hereunder, and hereby covenants that it will use its best efforts and do all things lawfully within its power to obtain, maintain and pursue funds from which such payments may be made, including making provision for such payments to the extent necessary in each budget proposed for the purpose of obtaining such funding.
- 5.06 All interest payable pursuant to this Agreement shall be calculated on the basis of a 360 day year of twelve (12) months (each of 30 days).
6. EXTENT OF OWNER'S LIABILITY
- 6.01 Acceptance of the Equipment by the Owner under the Sale and Purchase Agreement shall be conclusive evidence (as between the Owner and the Lessee, but without prejudice to claims by the Owner or the Lessee against any third party or the Manufacturer) that the Lessee on Commencement accepted delivery of the Equipment for the purposes of this Agreement and that the Lessee has examined the Equipment and found it to be complete, in good order and condition, fit for the purpose for which the Lessee requires it and in every way satisfactory to the Lessee.
- 6.02 (a) The Owner hereby assigns to the Lessee for the Lease Period with respect to each item of Equipment any and all warranties and other such rights against the Manufacturer or any third party that have been assigned to the Owner by the Lessee under the Sale and Purchase Agreement for such item of Equipment and agrees to use its reasonable efforts at the Lessee's sole expense to procure any and all necessary consents so to assign, and undertakes forthwith

to assign, any additional such rights or any rights similar thereto or otherwise pertaining to such item of Equipment or the operation, maintenance or service thereof, that may arise during the Lease Period therefore or otherwise are currently not known or considered or covered by this Agreement and that the Owner has the right to assign. Any amounts received by the Lessee as payment under any warranty so assigned may be applied as deemed necessary and desirable by the Lessee to repair or maintain such item of Equipment (including, in each case, the Lessee's direct labour costs and general overheads relating to such repair and maintenance). To the extent that any such rights of the Owner in respect of any item of Equipment may not be assigned to the Lessee or otherwise made available to the Lessee, the Owner shall on request of the Lessee (but subject to the Lessee first ensuring that the Owner is indemnified and secured to its reasonable satisfaction against all Losses) appoint the Lessee as the Owner's true and lawful attorney-in-fact during the Lease Period for such item of Equipment with full power and authority (in the name of the Owner or otherwise) to exercise any and all such rights solely for the benefit of the Lessee and to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due under such rights, to elect remedies thereunder, to endorse any cheques or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings in connection therewith which the Lessee may deem necessary or advisable. The Owner shall, at the Lessee's sole expense, execute all such documents and do all such acts and things as the Lessee shall reasonably require in order to establish or perfect any assignment of warranty rights as set forth in this Clause 6.02(a).

(b) The Owner will not by its own voluntary act interfere with the Lessee's quiet enjoyment of the Equipment save in accordance with the terms and conditions of this Agreement.

6.03 (a) Save as provided in Clause 6.02 the Lessee acknowledges and agrees that the Owner does not let or supply the Equipment with or subject to any term, condition, representation or warranty whatsoever (whether express or implied or whether statutory, collateral hereto or otherwise) relating to the state, quality, description, capacity, design, construction, operation, use or performance of the Equipment or to the merchantability, repair or fitness for any purpose of the Equipment or otherwise whatsoever. All such terms, conditions, representations and warranties are hereby expressly excluded and extinguished to the extent permitted by law.

(b) The Lessee shall not be entitled to any remission of rent in respect of any period during which the Equipment is unserviceable, and the Owner shall not be liable to provide the Lessee with any replacement Equipment during any such period or at all, or following any termination of the leasing of the Equipment under this Agreement.

- (c) The Owner shall have no liability whatsoever to the Lessee (including liability in tort and in contract, loss of profit or for damage of any kind howsoever caused or arising) for any defect in, whether in relation to quality or otherwise, failure of, or unsuitability for any purpose of the Equipment or arising out of or in connection with the Equipment or the manufacture, assembly, possession, use, performance, transportation or removal of the Equipment or arising out of or in connection with the purchase of the Equipment or the leasing of the Equipment under this Agreement including delay in delivery whether the same be due to any act, omission, negligence or wilful default of the Owner or its directors, officers, employees or agents, or to faulty design, workmanship or materials or to any other cause whatsoever (unless, and then to the extent only that, such liability cannot be excluded by applicable law). The provisions of this sub-clause will not preclude and shall be without prejudice to, claims by the Lessee against any third party or the Manufacturer.

7. INDEMNITY

7.01 The Lessee hereby agrees that it will fully and effectually indemnify the Owner or any member thereof and any of their respective directors, officers, employees and agents (save in the case of their wilful misconduct or recklessness) against all actions, liabilities, claims, demands, proceedings and judgments brought or established against any of them by the Lessee or any third party or parties or by any employee, servant, agent or sub-contractor of the Lessee or the Owner or any third party or parties or their respective dependants, and against all Losses arising, directly or indirectly, in connection with the Equipment including, but not limited to, any of the foregoing which arise by reason of or in connection with:-

- (a) the acquisition, ownership, hiring, use, supply, operation, management, control, possession, installation, performance, maintenance, repair, removal or disposal of the Equipment; or
- (b) any defect in or failure or faulty design of the Equipment; or
- (c) any product or strict liability relating to the Equipment; or
- (d) any infringement or alleged infringement of industrial property, copyright, intellectual property or other rights; or
- (e) any failure to obtain, or breach of, any such permission licence or permit as is referred to in Clause 10.05;

but the indemnity contained in this Clause 7.01 shall not apply to the liability of the Owner to pay Taxes on or in respect of the Equipment (to which liability Clause 7.02 shall apply).

7.02 The Lessee agrees that it will fully and effectively indemnify the Owner or any member thereof against any and all Taxes (except those Taxes which are excluded from this indemnification by Clause 7.03) which the Owner may be or become liable to pay on or in respect of the

Equipment including but not limited to Taxes levied or imposed on or by reason of the purchase, ownership or disposal of the Equipment or the leasing thereof under this Agreement.

7.03 The following Taxes shall not be indemnifiable by Lessee pursuant to this Clause 7:-

- (a) Danish Taxes;
- (b) UK Taxes;
- (c) Taxes imposed with respect to any period after the Equipment is no longer leased under this Agreement other than Taxes imposed in connection with any transaction or event that is contemplated by the Operative Documents;
- (d) Taxes that result from, or that would not be imposed in the absence of, the recklessness or wilful misconduct of the Owner;
- (e) Taxes that result from, or that would not be imposed in the absence of, the failure of the Owner or any member of the Owner to claim an exemption from tax or withholding of tax, if upon reasonable request by the Lessee, the Owner fails to furnish the representations, forms, and other documentation necessary to claim such exemption;
- (f) Taxes that would not have been imposed had the only transactions entered into by the Owner been the transactions contemplated by the Operative Documents;
- (g) United States federal income taxes that are imposed as a result of (i) the income or the earnings and profits from the transactions contemplated by the Operative Documents being treated as effectively connected with the conduct of a trade or business of the Owner within the United States within the meaning of Sections 882 and 884 of the United States Internal Revenue Code, or (ii) the Owner having a "permanent establishment" in the United States in respect of the transactions contemplated by the Operative Documents, as such term is defined in the Convention Between the United States and Denmark Relating to Taxes on Income; provided that (1) the execution and delivery of the Operative Documents, (2) the performance of the transactions contemplated by the Operative Documents in accordance with their respective terms and (3) any office or other fixed place of business of the Lessee shall be disregarded in determining whether the Owner is engaged in a trade or business within the United States or has a permanent establishment in the United States;
- (h) Taxes imposed on or with respect to any transfer or other disposition of the Equipment or any part thereof or interest therein (other than a transfer that occurs as a result of a termination pursuant to Clause 11) by the Owner or otherwise pursuant to a provision in any Operative Document;

- (i) United States withholding taxes that would not have been imposed if the Owner (i) was a limited partnership of Denmark and (ii) did not have and was not deemed to have a "permanent establishment" in the United States to which the profits in respect of the Operative Documents are allocable, as such terms are defined in the Convention Between the United States and Denmark Relating to Taxes on Income; provided that for purposes of this Clause 7.02(i) there shall not be taken into account (1) the execution and delivery of the Operative Documents, (2) the performance of the transactions contemplated by the Operative Documents in accordance with their respective terms and (3) any office or other fixed place of business of the Lessee;
 - (j) Taxes imposed with respect to a successor Owner that is not a resident of Denmark, or an entity organised in Denmark or under the law of Denmark, in excess of the Taxes that would have been imposed with respect to the original Owner signatory hereto; and
 - (k) Taxes arising as a result of the representations and warranties set out in Clause 2.02 proving to have been incorrect or as a result of any breach by the Owner of any of its covenants set forth herein.
- 7.04 (a) If a claim shall be made against the Owner or any member of the Owner for any Taxes for which the Lessee is obligated to indemnify the Owner pursuant to this Clause 7, the Owner shall as soon as possible, notify the Lessee in writing of such claim. If the Lessee shall so request in writing within 30 days after receipt of such notice, such claim shall be contested. The Lessee, subject to the Lessee first ensuring that the Owner is indemnified and secured to its reasonable satisfaction against all Losses, shall have the option to assume responsibility for contesting such Taxes in the name of the Owner or in the name of the Lessee, if permissible under applicable law; otherwise, the Owner shall, subject to the Lessee first ensuring that the Owner is indemnified and secured to its reasonable satisfaction against all Losses, control such contest, and conduct it in good faith, at the expense of the Lessee. If the Owner contests Taxes by making a payment thereof, the Lessee shall make an interest-free advance to the Owner in the amount of such Taxes.
- (b) If the Owner shall obtain a refund or credit of or other offset with respect to all or part of any Taxes paid or advanced by the Lessee, the Owner shall pay the Lessee such amount plus any interest received by (or credited to the benefit of) the Owner or that would have been so received or credited but for offset by other items plus the excess, if any, of the amount of any Taxes saved by the Owner as a result of such payment to the Lessee over the Taxes payable by the Owner as a result of the receipt of the refund of credit or offset (including interest received or credited to the benefit of the Owner) Provided always that:
- (i) the Owner shall be the sole judge, acting in good faith, of the amount of such refund or credit and of the date on which it is received;

- (ii) the Owner shall have an absolute discretion as to the order and manner in which it employs or claims refunds or credits available to it; and
 - (iii) the Owner shall not be obliged to disclose to the Lessee any information regarding its tax affairs or computations.
 - (c) If the Lessee shall be the party contesting Taxes on behalf of the Owner, the Owner shall supply the Lessee with such information that the Owner is able to make available, reasonably requested by the Lessee as may be necessary or advisable to enable the Lessee to control or participate in any proceeding.
 - (d) The Owner shall not make, accept or enter into a settlement or other compromise with respect to any Taxes indemnified pursuant to this Clause 7, or forgo or terminate any proceeding with respect to Taxes indemnified pursuant to this Clause 7, without the prior written consent of the Lessee (such consent not to be unreasonably withheld).
 - (e) The Lessee shall have the right to be consulted about all decisions relating to claims pursued by the Owner in its own name that are indemnifiable by the Lessee.
 - (f) In all events and circumstances, the Owner and the Lessee shall act in good faith in conducting any contest, or in filing any return or report or claim.
 - (g) If the Lessee shall make an indemnity payment under this Clause 7 and the indemnified Taxes (including withholding taxes) are available as a credit against or otherwise reduce Taxes imposed, or that would have been imposed, that are not Taxes indemnified against under this Clause 7, then to the extent such items have not previously been taken into account in computing the amount of indemnification payable under Clause 7.02, the Owner shall as soon as possible pay to the Lessee the amount of such reduction or credit plus the amount of any Taxes saved by the Owner as a result of such payment upon such credit or reduction being made available. The Owner shall use its reasonable efforts in filing tax returns and dealing with tax authorities to claim any such tax benefit.
 - (h) All computations required to be made under this Clause 7 shall be made in the first instance by the Owner, acting reasonably and in good faith, and the results of such computation shall be delivered to the Lessee in writing. At the reasonable request of the Lessee, the accuracy of such computations shall be verified by independent accountants selected by the Owner and acceptable to the Lessee. The computations of the accounting firm shall be final, binding and conclusive upon the Lessee and the Owner. The Lessee shall pay the costs of such verification.
- 7.05 It is agreed by the parties hereto that the rights of the Lessee as provided for by Clause 7.04 relate solely to the Owner and not to any member or partner thereof.

8. INSURANCE

- 8.01 Subject to Clause 5.05 the Lessee shall at all times during the Lease Period and at its own cost and expense insure and maintain insurance of the Equipment through itself or with reputable insurers against all risks (including but not limited to loss or damage from any cause and any legal liability to third parties which may be incurred by the Owner or to its directors, officers, employees or agents in relation to the Equipment) usual in relation to equipment similar to the Equipment and to a value, in the case of insurance against loss of or damage to any item of the Equipment, not less than the aggregate of Termination Value A and Termination Value B.
- 8.02 The policies effecting such insurance shall provide that (and the Lessee shall procure that) all moneys payable under any insurance policies effected pursuant to Clause 8.01 in respect of Total Loss of any item of Equipment shall either following the occurrence of an event referred to in Clause 11.02 be paid to the Owner or otherwise be paid to the Lessee for application in accordance with the provisions of Clause 12.04 and in respect of any other damage to the Equipment shall be paid to the Lessee.
- 8.03 The Lessee shall not effect any other insurance relating to the Equipment if a claim under such insurance would result in the operation of any contribution clause in any of the policies referred to in Clause 8.01.
- 8.04 The Lessee shall at such times as the Owner may request produce to the Owner a duplicate of every policy of insurance referred to in Clause 8.01 and every receipt for the payment of the premiums thereunder.
- 8.05 In the event of repairable damage to the Equipment, not constituting a Total Loss, the Lessee shall promptly repair the same.
- 8.06 The Lessee shall not use or knowingly permit the Equipment to be used for any purpose not permitted by the terms or conditions of any of the insurance policies for the time being related to the Equipment or do or allow to be done any act or thing whereby such policies may be or become invalidated, cancelled or altered whether automatically or at the instance of the insurer or otherwise prejudice the interest of the Owner in such policies.
- 8.07 If at any time the Equipment or any item thereof is not so insured as aforesaid, or if the Lessee shall fail to produce any such policy or receipt as aforesaid, the Owner shall be entitled (but not obliged) at the expense of the Lessee to insure the Equipment and keep it so insured until either the Equipment is sold pursuant to Clause 14 or the Equipment is again insured by the Lessee in accordance with this Clause 8 and/or the relevant policy or receipt is produced and the Lessee will pay to the Owner on demand any sums expended by the Owner for such purpose with interest from the time of such expenditure until such repayment at the rate and in the manner described in Clause 5.03.
- 8.08 Without prejudice to any other provision of this Agreement the Lessee agrees to indemnify the Owner against any loss, liability, damage, claim, demand or expense whatsoever (whether arising in contract, tort

or otherwise) suffered or incurred by the Owner and arising out of or in connection with any failure by the Lessee to comply with its obligations under this Clause 8.

9. LOCATION AND POSSESSION

9.01 It is agreed that title to Equipment shall remain vested in the Owner throughout the Lease Period (or, in relation to any item of Equipment, until any earlier Total Loss or purchase) and the Lessee shall have no right, title or interest in the Equipment except the right to possession and use of the Equipment upon the terms and conditions of this Agreement.

9.02 Without prejudice to Clause 9.01 the Lessee undertakes:-

- (a) not without the prior written consent of the Owner to sublease or part with possession of the Equipment other than to another department or unit of the State of Maryland or multistate or district entity to which the State of Maryland is a party;
- (b) not without the prior written consent of the Owner to, or purport to, assign other than to another department or unit of the State of Maryland, mortgage, pledge, or otherwise encumber the Equipment or any interest therein or in this Agreement and to prevent the creation of any charge, mortgage, pledge, lien or other encumbrance thereon other than a Permitted Lien and a Permitted Lien for this purpose means a lien for Taxes or other government charges or levies or any supplier's, repairer's, or other like possessory lien arising in the ordinary course of business by statute or by operation of law and not by way of contract in respect of, in any such case, moneys not yet due and payable or moneys claimed to be due and payable to the extent that the obligation to pay such moneys is being contested in good faith by appropriately and diligently conducted proceedings;
- (c) if any Equipment is confiscated or seized to notify the Owner as soon as the Lessee becomes aware thereof and, at its cost and expense, to use all reasonable endeavours to procure an immediate release of the relevant Equipment from such confiscation or seizure;
- (d) to ensure that at all times there is clearly and legibly displayed on each item of Equipment (i) the identification number thereof (as shown in the Sale and Purchase Agreement) and (ii) a fireproof nameplate stating that the relevant item is the property of the Owner and is leased to the Lessee;
- (e) not to do or permit to be done any act or thing which might jeopardise the rights of the Owner in the Equipment and to inform the Owner forthwith of the happening of any event which might jeopardise rights or involve the Owner in any proceedings, loss or liability in relation to the Equipment;

(f) to execute all such documents and do every act or thing as the Owner may reasonably request for the purposes of establishing, protecting and maintaining the right, title and interest of the Owner in the Equipment.

9.03 The Owner undertakes not to do any act or thing which might jeopardise the rights of the Lessee in the Equipment and to inform the Lessee, as soon as possible after the Owner becoming aware thereof of the happening of any event which might jeopardise rights or involve the Lessee in any proceedings, loss or liability in relation to the Equipment.

9.04 The Lessee may at its own expense make or cause to be made such alterations or modifications of and additions to the items of Equipment as may be required from time to time to meet the then prevailing rules of the Association of American Railroads or otherwise (including, without limitation, applicable laws, rules or regulations), in any reasonable manner that does not and will not adversely effect the value of any item of Equipment or the rights of the Owner therein or under this Agreement or any other Operative Document.

10. COVENANTS

10.01 The Lessee shall:-

(a) inform the Owner forthwith on becoming aware of the same of the occurrence of any event mentioned in Clause 11.02; and

(b) inform the Owner forthwith on becoming aware of the same of the occurrence of any Total Loss of any item of Equipment.

10.02 Save in the event of its wilful misconduct or recklessness the Owner shall not be responsible for any loss or damage to the Equipment during the leasing thereof hereunder. The Lessee shall use the Equipment in a skillful and proper manner and shall at its own cost and expense maintain the Equipment in good and substantial repair and in sound operating condition (fair wear and tear only excepted), including by the replacement of worn and defective parts, and shall in accordance with Clause 8.05 make good all damage to the Equipment (other than damage giving rise to a Total Loss of any Equipment) whether or not occasioned by its own act or default and shall not knowingly permit the Equipment to be overloaded or used for any purposes or beyond any tolerance for which it is not designed or reasonably suitable.

10.03 The Lessee shall not without the prior written consent of the Owner (such consent not to be unreasonably withheld) subject to Clause 9.04 make any alteration in or addition to the Equipment or remove any component thereof which is, in the Lessee's reasonable opinion, likely to make the Equipment unsafe or to reduce the value of the Equipment. The cost of all alterations, additions, removals or components, substitutions, replacements and renewals shall be borne by the Lessee. Except as provided in the next sentence, any alteration, modification, improvement or upgrading of any item of Equipment made by and paid for by the Lessee at the Lessee's own choice pursuant to this Clause 10.03 shall remain the property of the Lessee provided that, at redelivery to the Owner, such item of Equipment complies with the provisions of

Clause 13 in that the original equipment or equivalent equipment is properly installed by the Lessee prior to redelivery. Any and all replacement parts installed on and additions made to any item of Equipment (a) that are replacements of existing parts constituting part of the Equipment owned by the Owner, (b) that are not readily removable without causing material damage to such Equipment, (c) in the course of ordinary and proper maintenance of such Equipment or (d) that are required by applicable law, rules or regulations for the operation or use of such Equipment, shall constitute additions to such Equipment and shall immediately, and without further act or instrument, be deemed, upon the Lessee procuring that title and property vests in the Owner, subject to this Agreement, and the Lessee shall comply with all provisions of this Agreement applicable to such additions.

- 10.04 The Lessee to the extent that it is able to do so shall take such measures as are communicated in writing to the Lessee by the Owner or any supplier or manufacturer of the Equipment, and shall take such other steps as are necessary, to ensure that the Equipment will be safe without risk to health when properly used.
- 10.05 The Lessee shall to the extent that it is able to do so obtain and effect and keep effective all permissions, licences and permits which may from time to time be required in connection with the Equipment or in any jurisdiction in which the Equipment may at any time be located and shall not knowingly use or permit the Equipment to be used in contravention of any statute or regulation for the time being in force in any such jurisdiction or any agreement which is binding on the Lessee or any of its property or otherwise in any way contrary to law or in contravention of any patent or other industrial property rights of any third parties. The Lessee shall pay any licence duties, insurance premiums, fees, registration charges, royalties, rents, rates, taxes, charges and impositions of whatsoever nature payable in respect of the Equipment or any such premises or in respect of the use thereof.
- 10.06 The Lessee shall to the extent that it is able to do so permit the Owner (at the Owner's cost except following occurrence of an event described in Clause 11.02 when at the Lessee's cost) or its authorised representatives at all reasonable times to inspect the Equipment.
- 10.07 The Lessee shall send to the Owner upon request, each of its annual audited accounts, such accounts to include a balance sheet and profit and loss account prepared on the basis of accounting principles and practices generally accepted in the United States of America and consistently applied.
- 10.08 The Lessee shall give the Owner all such information as the Owner may reasonably request with regard to the Equipment and the performance of the Lessee of its obligations hereunder, and shall if so requested by the Owner procure that a director or other responsible officer of the Lessee shall certify as correct any such information.
- 10.09 The Lessee shall (a) comply with all of the terms and conditions of the UMTA Concurrence and (b) notify the Owner if the Lessee (i) fails to comply with all of the terms and conditions of the UMTA Concurrence,

(ii) receives any notice from UMTA asserting any violation or voiding of the UMTA Concurrence or (iii) is required to notify UMTA under any condition contained in the UMTA Concurrence.

10.10 The Owner covenants and agrees that:-

- (a) The Owner shall at closing provide to the Lessee an Ownership, Exemption or Reduced Rate certificate on Form 1001 issued by the United States Internal Revenue Service, and shall upon receiving a written request and completed Form 1001 from the Lessee execute and deliver to Lessee a replacement Form 1001. If the information on the Form 1001 changes, the Owner shall inform Lessee in writing within 30 days of the change;
- (b) The Owner shall at closing provide to the Lessee a Certificate of Foreign Status on Form W-8 issued by the United States Internal Revenue Service on behalf of the Owner and on behalf of each member of the Owner, and shall upon receiving a written request and completed form W-8 from the Lessee execute and deliver to the Lessee a replacement Form W-8 on behalf of the Owner and on behalf of each member of the Owner. If the information on the Form W-8 changes, the Owner shall inform the Lessee in writing within 30 days of the change;
- (c) The Owner will not, without the prior written consent of the Lessee, modify, amend, supplement, consent with respect to, or give any waiver under, the Loan Agreement, the Security Agreement or any other Operative Document;
- (d) The Owner will not create, incur, assume or suffer to exist, and the Owner will take all such action as may be necessary or advisable to discharge, any Owner Lien other than Permitted Owner Liens; and
- (e) In case of an assignment by a member of the Owner of such member's partnership interest, the Owner shall enter the name and address of the assignee upon the books kept by the Owner for the purpose of identifying the holders of beneficial interests in the Owner. Such assignment shall become effective only upon entry of the assignment on the books kept by the Owner, and no purported assignee shall have a right to any payment or distribution from the Owner until such person is registered as the new holder on the books of the Owner.

11. TERMINATION

11.01 If any railcar forming part of the Equipment shall become a Total Loss during the Lease Period, the leasing of such railcar shall terminate on the Total Loss Payment Date unless the Lessee exercises its rights of replacement under the provisions of Clause 12.04(b).

11.02 If any one or more of the following events shall have occurred namely:-

- (a) any amount becoming payable under this Agreement is not paid within five Business Days of the due date for payment thereof, or, in the case of sums payable on demand, within a period of ten Business Days following receipt of such demand; or
- (b) the Lessee makes default under, or in the due and punctual observance and performance of, any other provision in this Agreement which default is not, in the opinion of the Owner, capable of remedy, or any such default arises which is, in the opinion of the Owner, capable of remedy and is not remedied within fourteen days after receipt by the Lessee of notice from the Owner requesting action to remedy the default in question; or
- (c) any representation or warranty made pursuant to Clause 2.01, proves to have been incorrect when made; or
- (d) any governmental licence, authorisation, consent or approval at any time necessary to enable the Lessee to comply with its obligations under this Agreement is revoked or withheld or materially (in the opinion of the Owner) modified or is otherwise not granted or fails to remain in full force and effect; or
- (e) the State of Maryland shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the State of Maryland, which proceedings are not dismissed within 35 days, seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief, or composition of it and its debts under any law relating to bankruptcy, insolvency, or reorganisation or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or any substantial part of its property; or the State of Maryland shall authorise any of the actions set forth above in this Clause 11.02(e)

it shall constitute (as the case may be) either a repudiatory breach of, or breach of condition by the Lessee under, this Agreement or an agreed terminating event the occurrence of which will (in any such case) entitle the Owner by notice to the Lessee to terminate the leasing of the Equipment hereunder and recover the amounts provided for in Clause 12 either as liquidated damages or as an agreed sum payable on the occurrence of such event.

- 11.03 (a) If the Bank declares the Loan to have become immediately due and payable pursuant to Clause 3.10 of the Loan Agreement the leasing of the Equipment hereunder shall terminate on the date on which the Loan becomes due and payable pursuant to such declaration and either the provisions of Clause 11.04(c) shall then apply if the Event of Termination (as defined in the Loan Agreement) relates to the Owner or the provisions of Clause 12.01 shall then apply if the Event of Termination relates to the Lessee or any other third party (other than the Owner).

- (b) If the Bank accelerates repayment of the Loan pursuant to Clause 3.8(a) of the Loan Agreement (and notice of such acceleration is not withdrawn pursuant to Clause 3.9 of the Loan Agreement) the leasing of the Equipment hereunder shall terminate on the date of such acceleration and the Lessee may purchase the Equipment on the date on which the Loan becomes due and payable, in accordance with Clause 15 without the need for the Lessee to give notice (as if the date on which the Loan becomes due and payable were the due date referred to in Clause 15) save that if the Loan has so become due and payable pursuant to Clause 3.8(a) of the Loan Agreement by reason only of a requirement for the Owner to deduct Danish Taxes the leasing of the Equipment shall terminate on the date of such acceleration and the Lessee shall pay or cause to be paid to the Owner the amounts specified in Clause 11.04(c).

11.04 If any of the following shall occur:

- (a) (i) the transactions contemplated by one or more of the Operative Documents becomes, in whole or material part, illegal in Denmark or the United Kingdom, which, in the Lessee's reasonable determination, materially and adversely affect the enforceability of the Lessee's rights under the Operative Documents;
- (ii) The Owner shall be in breach of its representations, warranties or covenants hereunder;
- (iii) (aa) the Owner shall consent to the appointment of a custodian, receiver, trustee or liquidator (or other similar official) of the Owner, any item of Equipment or a substantial part of the Owner's property, or shall admit in writing its inability to pay its debts generally as they come due, or a court of competent jurisdiction shall determine that the Owner is generally not paying its debts as they come due, or the Owner shall make a general assignment for the benefit of creditors;
- (bb) the Owner shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganisation in a proceeding under any bankruptcy laws (as now or hereafter in effect) or an answer admitting the material allegation of a petition filed against the Owner in any such proceeding, or the Owner shall, by voluntary petition, answer or consent, seek relief under the provisions of any now existing or future bankruptcy or other similar law providing for the reorganisation or winding-up of debtors, or providing for an agreement, composition, extension or adjustment with its creditors;

- (cc) an order, judgment or decree shall be entered in any proceeding by any court of competent jurisdiction appointing, without the consent (express or legally implied) of the Owner, a custodian, receiver, trustee or liquidator (or other similar official) of the Owner, any item of Equipment or any substantial part of the Owner's property, or sequestering any item of Equipment or any substantial part of the property of the Owner, and any such order, judgment or decree or appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of 35 days after the date of entry thereof;
- (dd) a petition against the Owner in a proceeding under application bankruptcy laws or other insolvency laws, as now or hereafter in effect, shall be filed and shall not be stayed, withdrawn or dismissed within 35 days thereafter or if, under the provisions of any law provide for reorganisation of winding-up of debtors that may apply to the Owner, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Owner, any item of Equipment or any substantial part of the Owner's property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 35 days;
or
- (ee) any other procedure, similar or analogous to those referred to in clauses (aa) through (dd) above, for the relief of financially distressed debtors under applicable laws in Denmark is entered into by the Owner voluntarily or involuntarily and, if such procedure shall have been entered into involuntarily, shall be unstayed and remain in effect for a period of 35 consecutive days;

then the Lessee may, by written notice to the Owner, terminate the leasing of the Equipment on a date specified in such notice (which date shall not be less than 28 days from the date such notice is given) (in this Clause-a "Termination Date") Provided that in the case of a UK illegality event occurring, as provided for by 11.04(a)(i), such notice shall only be given upon the Lessee having first consulted with the Owner for a period of no less than one hundred and eighty days.

- (b) If the transactions contemplated by one or more of the Operative Documents become, in whole or in material part, illegal in Denmark which, in the Owner's reasonable determination, materially and adversely affect the enforceability of the Owner's rights under the Operative Documents then the Owner may, by written notice to the Lessee, terminate this Agreement on a date specified in such notice (which date shall not be less than 28 days from the date such notice is given) (in this Clause a "Termination Date").

- (c) Upon any termination pursuant to Clause 11.03 (a) relating to the Owner or where applicable 11.03(b) or this Clause 11.04, the Lessee shall, on the relevant date of termination, pay or cause to be paid to the Owner an amount equal to the aggregate of:-
- (i) all rent and other payments due but unpaid under this Agreement at the due date together with any interest at the Default Rate from the date on which such rent or other payment fell due to the due date; and
 - (ii) Termination Value A in relation to the relevant date of termination;

the obligations of the Lessee to pay rent on any Payment Date occurring after the relevant date of termination shall cease and upon receipt of all amounts payable under this Clause 11.04, (i) the Owner shall convey all of its right, title and interest in and to the Equipment to the Lessee or whomsoever the Lessee shall have designated in writing in accordance with the Transfer Protocol, and (ii) the other obligations of the parties hereunder shall terminate except for obligations that expressly survive any such termination provided that:

- (aa) the Lessee shall be and remain liable to pay to the Owner any and all United States Taxes payable on such passing of property and title, and
- (bb) all indemnities and exclusions contained in this Agreement in favour of the Owner and the Lessee shall continue in full force and effect for a period that shall expire on the earlier of either 24 months after the Termination Date or 24 months after the expiry of the Lease Period by effluxion of time or for the limitation period as applied by any statutory or other instrument having force or law of the State of Maryland.

12. PAYMENTS ON TERMINATION

- 12.01 Upon (a) the occurrence of any event described in Clause 11.02 or (b) any repudiation of this Agreement by the Lessee which is accepted by the Owner (whether or not one of the events specified in Clause 11.02) or (c) the transactions contemplated by one or more of the Operative Documents becomes, in whole or material part, illegal in the United States or any applicable subdivision thereof, or (d) a termination of the leasing of the Equipment hereunder shall occur under Clause 11.03(a) as a result of an Event of Termination (as defined in the Loan Agreement) relating to the Lessee or any other third party (other than the Owner), then the leasing of the Equipment hereunder shall terminate on the date (a "Termination Date") (w) in the case of (a) above, 14 days after the Owner gives notice to the Lessee of such event described in Clause 11.02, (x) in the case of (b) above, on which the Owner accepts such repudiation in writing, (y) in the case of (c) above, on the date on which the Owner gives notice of termination of the leasing of the Equipment hereunder as a result of such illegality, or, as the case may be, (z) in the case of

(d) above, on which Clause 11.03(a) provision for the termination of the leasing of the Equipment hereunder and on the Termination Date, the Lessee shall pay or cause to be paid to the Owner an amount equal to the aggregate of:-

- (i) all rent and other payments due but unpaid under this Agreement at the Termination Date together with any interest at the Default Rate from the date on which such rent or other payment falls due to the due date (after as well as before judgment); and
- (ii) Termination Value A in relation to the Termination Date; and
- (iii) Termination Value B in relation to the Termination Date

and upon payment of all sums due hereunder the Owner shall convey all of its rights, title and interest in and to the Equipment to the Lessee or whomsoever the Lessee shall have designated in writing in accordance with the Transfer Protocol.

12.02 The Lessee shall pay to the Owner on demand any costs or expenses incurred by the Owner in tracing, repossessing or recovering the Equipment or collecting any moneys payable under this Agreement, together with interest (both before and after any judgment or winding up of the Lessee) at the Overdue Rate from the date on which any such costs or expenses were incurred by the Owner to the date of actual receipt.

12.03 The obligation of the Lessee to pay the amounts calculated pursuant to Clause 12.01 shall be absolute and remain in full force and effect notwithstanding that the event giving rise to the termination of the leasing of the Equipment shall be the illegality in accordance with the laws of the United States of America, it being the declared intention of the parties that the provisions of this Clause 12 and the obligation of the Lessee to pay the amounts so calculated shall survive any such illegality and that no moneys paid hereunder by the Lessee to the Owner shall in any event or circumstances be repayable to the Lessee.

12.04 Upon the occurrence of a Total Loss of any railcar forming part of the Equipment the Lessee shall either:-

- (a) on the Total Loss Payment Date (unless prior thereto the Lessee shall have exercised its rights under Clause 12.04(b) in respect of such railcar forming part of the Equipment) pay to the Owner by way of agreed compensation, an amount equal to the appropriate proportion of each of Termination Value A and Termination Value B (appropriate proportion being, for this purpose, that proportion which the cost to the Owner under the Sale and Purchase Agreement of the relevant item of Equipment bears to Total Cost) and upon receipt by the Owner of each amount payable pursuant to this Clause 12.04 (a) the Owner shall deliver to the Lessee a Schedule setting out the rent which will thereafter be payable by the Lessee under Clause 4.01(a) and Termination Value A and Termination Value B which will thereafter apply in consequence of such payment (such Schedule, to be conclusive in the absence of manifest error and

the resulting reduction referred to therein of rent, Termination Value A and Termination Value B to be on a pro rata basis), or

- (b) before the date occurring thirty days prior to the Total Loss Payment Date, (i) arrange for property in and title to an item of equipment substantially similar to, and having a value and utility not less than, the item of Equipment which has become a Total Loss to be vested in the Owner free from encumbrances in manner satisfactory to the Owner and (ii) deliver to the Owner a Schedule identifying the replacement item of equipment and the item of Equipment which it has replaced whereupon (and with effect from such vesting of property and title) the replacement item of equipment shall become an item of Equipment for the purposes of this Agreement.

12.05 The certificate of the Owner as to any amounts payable and/or to be applied pursuant to this Clause 12 shall in the absence of an error manifest on the face thereof be binding on the parties hereto.

12.06 The provisions of this Clause 12 shall not be construed so as to prevent the Owner from claiming damages from the Lessee in respect of any antecedent breach of the Lessee's obligations hereunder or in respect of any breach of such obligations not entitling the Owner to terminate the leasing of the Equipment pursuant to the provisions of Clause 11.

13. RETURN OF EQUIPMENT

13.01 Subject to the Lessee's option to purchase set out in Clause 15, upon any termination of the leasing of the Equipment pursuant to Clause 11.02 or upon expiry of the Lease Period by effluxion of time, (a) the Lessee will at the Lessee's own expense forthwith return or redeliver the Equipment, in the condition required by Clause 10.02, to the Owner at such place as may be agreed between the Owner and the Lessee in the State of Maryland or failing such agreement as reasonably specified by the Owner (or in the case of termination pursuant to Clause 11.02 specified by the Owner) and (b) the Owner or its servants or agents may at any time whether before or after the making of any such request and without any notice and at the expense of the Lessee retake possession of the Equipment and for this purpose shall be entitled (by way of irrevocable licence hereby granted by the Lessee) freely to enter into and upon any premises occupied by or under the control of the Lessee and if the Equipment is not on premises occupied by or under the control of the Lessee the Lessee shall indemnify the Owner its servants and agents against any and all costs, expenses and consequences of the Owner entering upon such premises to retake possession.

13.02 Forthwith upon being requested by the Owner to do so following any termination of the leasing of the Equipment pursuant to Clause 11.02 the Lessee shall at its own expense, and to the extent that the relevant benefit is capable of assignment, assign to the Owner or any purchaser of the Equipment from the Owner the benefit of any licence held by it which is necessary for the operation of the Equipment.

13.03 Following return or redelivery of the Equipment pursuant to Clause 13.01 the Lessee shall, if so requested by the Owner, store, insure and maintain the Equipment until such time as they are sold pursuant to Clause 14 (and all costs and expenses thereby incurred shall be paid by the Lessee).

14. SALE OF EQUIPMENT

14.01 Subject to the Lessee's option to purchase set out in Clause 15, if, following any termination of the leasing of the Equipment pursuant to Clause 11.02 or expiry of the Lease Period by effluxion of time or failure by the Lessee to pay all sums due as provided for by Clause 12, the Lessee shall have returned or redelivered Equipment to the Owner pursuant to Clause 13.01, or if the Owner shall have recovered possession thereof, the Owner shall use reasonable endeavours to sell such Equipment in good faith on the open market in a reasonably commercial manner. The net proceeds of any such sale shall be the amount, exclusive of any sales or similar Tax thereon received by the Owner upon sale of the relevant Equipment after deduction of any expenses incurred in connection with the recovery of possession of such Equipment or the sale thereof, including any expenses incurred by the Owner in repairing, reinstating, storing or insuring the Equipment prior to sale and any commission paid in connection with such sale. The Owner shall not be liable to the Lessee in any manner in respect of any failure to recover possession of any Equipment or any delay in recovering possession thereof or in respect of any delay in selling any Equipment or for any failure to sell the Equipment at any particular price.

14.02 Following a sale of any Equipment pursuant to Clause 14.01 the net proceeds of sale shall be applied as follows and in the following order:-

- (a) in or towards discharge of the amounts due to the Owner under Clause 12.01 (other than each of Termination Value A and Termination Value B which have become payable and are unpaid) if and to the extent not then discharged or satisfied together with interest accrued thereon pursuant to Clause 5.03;
- (b) in retention of an amount equal to the above mentioned Termination Value A and Termination Value B (if and to the extent not then discharged or satisfied) together with interest accrued thereon pursuant to Clause 5.03 to be held as security by the Owner, for the payment by the Lessee of the aforesaid sums;
- (c) in or towards discharge of any other amounts then or to become owing to the Owner under this Agreement;
- (d) in payment by the Owner to the Lessee of an amount equal to any surplus in consideration of the Lessee maintaining the Equipment in accordance with the terms of this Agreement.

Any payment under this Clause 14.02 shall be subject to the right of the Owner to retain from amounts so to be paid to the Lessee (and apply any sum so retained in or towards discharge of) sums equal to

any and all amounts which are then or which will become owing by the Lessee under this Agreement.

14.03 Following the expiry of the Lease Period by effluxion of time the Lessee shall have the right to act as the Owner's exclusive agent for the sale of the Equipment upon terms (a) that no condition, warranty or representation on the part of the Owner, whether express or implied and whether relating to description, state, quality, repair, fitness or otherwise shall be given or made by or on behalf of the Owner save and except for a warranty that the Owner will transfer such title to the Equipment as it obtained under the Sale and Purchase Agreement, (any such conditions and warranties on the part of the Owner to be expressly excluded in any agreement entered into for such sale), (b) the agreement shall not be concluded without the Owner's approval, and (c) the purchase price shall be applied in accordance with Clause 14.02.

15. OPTION TO PURCHASE

15.01 The Lessee or its nominee shall be entitled to purchase part or all of the Equipment, and thereby to terminate the leasing of such part or all of the Equipment under this Agreement, on any Payment Date subject to and conditional upon the Lessee or its agent or attorney giving to the Owner not less than two months prior written notice stating its intention so to purchase and specifying the Payment Date on which such purchase is to occur (which notice shall identify the Equipment to be purchased and be irrevocable and shall constitute the amount payable by the Lessee pursuant to Clause 15.02(b) an amount due and owing from the Lessee to the Owner on the date so specified).

15.02 On the Payment Date specified in any notice given pursuant to Clause 15.01 ("due date") the Lessee shall pay or cause to be paid to the Owner an amount equal to the aggregate of:-

- (a) all rent and other amounts due but unpaid under this Agreement at the due date; and
- (b) a purchase price equal to each of Termination Value A and Termination Value B in relation to the due date or, in the case of a part purchase of Equipment, an amount equal to the appropriate proportion (as determined by the provisions of Clause 12.04(a)) of each of Termination Value A and Termination Value B in relation to the due date and upon receipt by the Owner of the appropriate amount the Owner shall in the case of a part purchase deliver to the Lessee a Schedule setting out the rent which will thereafter be payable by the Lessee under Clause 4.01(a) and Termination Value A and Termination Value B which will thereafter apply in consequence of such payment (such Schedule to be conclusive in the absence of manifest error and the resulting reduction referred to therein of rent, Termination Value A and Termination Value B to be on a pro rata basis).

15.03 On the due date the obligation of the Lessee to pay rent in respect of the Equipment purchased on any Payment Date occurring after the due date shall cease or the Lessee shall pay the rent as set out in the Schedule referred to in Clause 15.02(b) and upon receipt by the

Owner on the due date of the amount described in Clause 15.02, (i) the Owner shall convey all of its right, title and interest in and to part or all of the Equipment to the Lessee or whomsoever the Lessee shall have designated in writing in accordance with the Transfer Protocol, and (ii) the other obligations of the parties hereunder shall terminate except for obligations that expressly survive any such termination, provided that:-

- (a) the Lessee shall be and remain liable to pay to the Owner any and all United States Taxes payable on such passing of property and title, and
- (b) all indemnities and exclusions relating to such item of Equipment contained in this Agreement in favour of the Owner shall continue in full force and effect for a period that shall expire on the earlier of either 24 months after the due date or 24 months after the expiry of the Lease Period by effluxion of time or for the limitation period as applied by any statutory or other instrument having force or law of the State of Maryland.

16. COSTS AND EXPENSES

16.01 The Lessee will reimburse the Owner or its nominee on demand all legal costs and subject to receipt of reasonably sufficient back up documentation other out-of-pocket costs, charges and expenses incurred or to be incurred by the Owner

- (a) in connection with the preparation, negotiation and execution of the Agreement and the documents referred to in it, and
- (b) in recovering any rent or other amounts payable by the Lessee under this Agreement or in the protection or enforcement of any of its rights hereunder

provided however that amounts payable by the Lessee pursuant to sub clause (a) of this Clause 16.01 shall not exceed \$50,000.

16.02 If the Lessee is in breach of any of its obligations under this Agreement the Owner shall be entitled (but not bound and without prejudice to any other rights which it may have) to remedy such breach and if the Owner incurs any expenditure or liability in remedying such breach, or otherwise incurs any expenditure or liability in relation to the Equipment which should have been incurred by the Lessee, the Owner shall be entitled to recover such expenditure, or an amount equal to such liability, from the Lessee together with interest thereon at the Overdue Rate from the date on which any such expenditure was incurred by the Owner to the date of payment thereof by the Lessee (both before and after any relevant judgment).

17. ASSIGNMENT

17.01 Save with the prior written consent of the Owner (such consent not to be unreasonably withheld provided, however, that such consent shall not be deemed unreasonably withheld if but without limitation, any such assignment or purported assignment would increase any cost, expense, charge or indemnity that the Owner is assuming hereunder or

result in the imposition of any Tax) this Agreement shall not be capable of assignment by the Lessee other than to another department or unit of the State of Maryland or multistate or district entity to which the State of Maryland is a party and other than the Lessee's rights under Clause 15.01 which shall be fully assignable.

- 17.02 Save with the prior written consent of the Lessee (such consent not to be unreasonably withheld provided, however, that such consent shall not be deemed unreasonably withheld if any such assignment or purported assignment would increase any cost, expense, charge or indemnity that the Lessee is assuming hereunder in connection with the Owner's participation herein) neither this Agreement or the Loan Agreement shall be capable of assignment by the Owner nor shall the Owner consent to an assignment by the Bank of the Loan Agreement.
- 17.03 The Owner shall be entitled to assign the benefit of this Agreement to the Bank.
- 17.04 In case of an assignment by the Owner that otherwise satisfies the requirements of this Clause 17, the Lessee shall enter the name and address of the assignee upon the books kept by the Lessee for the purpose of identifying the person entitled to receive payments from the Lessee under this Agreement. Such assignment shall become effective only upon entry of the assignment on the books kept by the Lessee for the purpose of identifying the person entitled to payments from the Lessee under this Agreement, and no purported assignee shall have a right to any payment from the Lessee under this Agreement until such person is registered as the new owner on the books of the Lessee.
- 17.05 References herein to the Owner and the Lessee shall include references to their respective successors and assigns.

18. NOTICES

- 18.01 (a) All notice, request, demand or other communication to or upon the respective parties hereto shall be deemed to have been duly given or made:-
- (i) if given or made by letter, five (5) Business Days after the relevant letter has been dispatched by registered mail, postage prepaid;
 - (ii) if delivered by hand, at the time of delivery;
 - (iii) if given or made by telex or facsimile, when sent and answerback or acknowledgement slip at the beginning and end of transmission received provided that if this occurs outside business hours in the location to which such telex or facsimile is dispatched it shall not be deemed to have been received until opening of business on the next succeeding business day in such location, and in each case addressed as follows:-

(aa) if to the Owner:-

Købmagergade 19
1150 Copenhagen K
Denmark

Facsimile No: 010 45 33 325870
Attention: N. Wendelboe-Nielsen

(bb) if the Lessee:-

10 Elm Road,
P O Box 8755,
BWI Airport
Maryland 21240,
United States of America

Facsimile No: 0101 410 859 7960
Attention: Director of Finance

or to such other address as the Owner or the Lessee may specify in writing to the other.

- (b) Any and all notices hereunder shall, unless there is good reason preventing the same, be given or made by telex or facsimile or delivered by hand, provided that, in the case of notices hereunder given or made by telex or facsimile, the relevant giver or maker thereof shall, if reasonably requested so to do by the other party hereto, confirm the contents of such telex or facsimile in a letter to be dispatched by registered airmail, postage prepaid on the same day any such request is so made.

19. MISCELLANEOUS

- 19.01 No neglect, delay or indulgence on the part of the Owner in enforcing the terms and conditions of this Agreement shall prejudice the rights of the Owner hereunder or thereunder or be construed as a waiver thereof.
- 19.02 Each of the indemnities given by the Lessee to the Owner under this Agreement shall survive and continue in full force and effect for a period that shall expire on the earlier of either 24 months after the applicable Termination Date or 24 months after the expiry of the Lease Period by effluxion of time or for the limitation period as applied by any statutory or other instrument having force of law of the State of Maryland, notwithstanding the making of any payments pursuant to Clause 11 or Clause 12 or the disposal of the Equipment.
- 19.03 This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute but one and the same instrument.

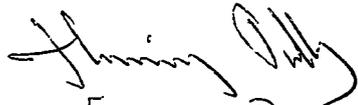
20. LAW

- 20.01 This Agreement shall, be governed by, and construed in accordance with, English law.

- 20.02 Each party hereto, for the exclusive benefit of the other party hereto agrees that the High Court of Justice in England shall have jurisdiction to hear and determine any suit, action, or proceeding, and to settle any disputes which may arise out of or in connection with this Agreement ("Proceedings") and irrevocably submits to the jurisdiction of such court.
- 20.03 The submission to the jurisdiction of the courts referred to in Clause 20.02 shall not (and shall not be construed so as to) limit the right of the Owner to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.
- 20.04 The Lessee hereby waives any objection to any legal action or proceedings arising out of or in connection with this Agreement in such courts on the grounds of venue or the bringing thereof in an inconvenient forum and irrevocably appoints Legibus Secretaries Limited of Royex House, Aldermanbury Square, London EC2V 7LD as its agent to receive for and on its behalf service of any proceedings in such Courts but the Owner reserves the right to proceed under this Agreement in the courts of any other country or jurisdiction having or claiming jurisdiction in respect of it.
- 20.05 The Lessee agrees that should the Owner bring a legal action or proceedings against it or its assets in relation to any matters arising out of this Agreement no immunity from such legal action or proceedings (which shall be deemed to include, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of the Lessee or with respect to its assets, the Lessee hereby irrevocable waiving any such right of immunity which it or its assets now has or may hereafter acquire and the Lessee hereby consents generally in respect of any legal action of proceedings arising out of or in connection with this Agreement to the giving out of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which may be made or given in such action or proceedings. In the event the Owner obtains a judgment against the Lessee for damages as a result of an event of default hereunder, the Lessee would be obligated to pay such judgment subject to any budget and appropriation limitations imposed pursuant to Article III, Section 52 of the Constitution of Maryland and its implementing statutes.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SIGNED by)
FLEMMING PELGM)
for and on behalf of)
K/S NORDIC RAILCARLEASING)
in the presence of:-)


FLEMMING PELGT

Handwritten signature
ANETTE WENDELBOE, SECRETARY
INGEBORG VENGØ
DJK- 0960 ZUNGFED KYS-

DEPARTMENT OF TRANSPORTATION OF MARYLAND

By: _____

APPROVED for form and)
legal sufficiency for)
THE STATE OF MARYLAND:-)

By: _____

Assistant Attorney General

STATE OF MARYLAND
DEPARTMENT OF TRANSPORTATION OF MARYLAND



Stuart L. Myers
Acting Director of Finance

APPROVED FOR FORM AND LEGAL SUFFICIENCY
FOR THE STATE OF MARYLAND



Margaret Lee Norton
Assistant Attorney General

APPENDIX A

SALE AND PURCHASE AGREEMENT

Dated _____, 1991

THE STATE OF MARYLAND acting through
THE DEPARTMENT OF TRANSPORTATION OF MARYLAND
and THE BOARD OF PUBLIC WORKS OF MARYLAND

- and -

K/S NORDIC RAILCARLEASING

THIS AGREEMENT is made the day of , 1991

BETWEEN:

- (1) THE STATE OF MARYLAND acting through THE DEPARTMENT OF TRANSPORTATION OF MARYLAND and THE BOARD OF PUBLIC WORKS OF MARYLAND, principal departments and units of the government of the State of Maryland ("Vendor"); and
- (2) K/S NORDIC RAILCARLEASING, a limited partnership established under the laws of Denmark ("Purchaser").

WHEREAS

The Vendor is the owner of and wishes to sell to the Purchaser the Equipment described in Appendix "A" hereto ("Equipment").

NOW IT IS HEREBY AGREED as follows:-

1. SALE AND PURCHASE

- 1.01 The Vendor agrees to sell and the Purchaser agrees to buy the Equipment upon the terms and conditions hereinafter expressed.
- 1.02 The aggregate purchase price for the Equipment shall be [] United States Dollars (US\$[]) ("Purchase Price").

2. CONDITION OF EQUIPMENT

- 2.01 The Purchaser hereby agrees, subject to the provisions of this Agreement, to take title to the Equipment in the condition and at the place where the Equipment is at the time described in Clause 4.
- 2.02 The Equipment shall be taken with any faults, deficiencies and errors of description and without any allowance or abatement in any circumstances for any such faults, deficiencies or errors of description.

3. PAYMENT

- 3.01 The Purchaser shall, at the time described in Clause 4.02, pay the Purchase Price in immediately available funds free and clear of and without deduction of or withholding for or on account of any present or future tax, duties or other charges to the account of the Vendor at such Bank in Baltimore as the Vendor shall prior to that date notify to the Purchaser.

4. DELIVERY

- 4.01 The Vendor shall transfer title of the Equipment to the Purchaser at the place where the Equipment is on the date and at the time described in Clause 4.02.

4.02 Transfer of title as referred to in Clause 4.01 above shall take place at a time agreed between the parties within normal banking hours in Baltimore on _____, 1991 (or such other date as the parties shall agree) when the Vendor shall deliver to the Purchaser an invoice for the Purchase Price and the Purchaser shall pay the Purchase Price. Transfer of Title shall be evidenced by a certificate to be signed by the parties in the form set out in Appendix "B".

4.03 In the event that on or before _____, 1991 the Vendor shall fail to satisfy or procure satisfaction of the conditions specified in Clause 3.04 of the Lease Agreement referred to in Clause 5.01 the Purchaser shall be entitled to give the Vendor notice of termination of the Purchaser's obligations under this Agreement (whereupon such obligations shall terminate and the Purchaser shall be under no liability to the Vendor in respect of such termination).

5. USE OF EQUIPMENT

5.01 Upon title to the Equipment being transferred to the Purchaser pursuant to Clause 7 the Purchaser shall lease the Equipment to the Vendor, and the Vendor shall take the Equipment on lease, on and subject to the terms and conditions of a Lease Agreement entered or to be entered into by the Vendor (as lessee) and the Purchaser (as lessor) prior to or immediately following execution of this Agreement.

6. BILL OF SALE

6.01 Following payment by the Purchaser of the Purchase Price the Vendor shall deliver to the Purchaser a confirmatory Bill of Sale in such form as the Purchaser shall reasonably require confirming the transfer of legal and beneficial ownership of the Equipment to the Purchaser free from encumbrances.

6.02 The Vendor will, upon demand, and at no cost to the Purchaser, sign, perfect, do, execute and register all and every such further assurances, documents, acts and things as in the opinion of the Purchaser may be reasonably necessary or desirable for the purpose of more effectually accomplishing or perfecting the transaction contemplated by this Agreement.

7. TRANSFER OF TITLE AND RISK

7.01 The Vendor shall, and does hereby, reserve title to and property and risk in the Equipment until payment of the Purchase Price whereupon, and by such payment, title to and property and risk in the Equipment shall vest in the Purchaser.

7.02 If any item of Equipment shall become a Total Loss (as defined in the Lease Agreement referred to in Clause 5.01) whilst property in that item of Equipment remains vested in the Vendor the respective obligations of the Vendor and the Purchaser under this Agreement to sell and purchase that item of Equipment shall terminate and the purchase price referred to in Clause 1.02 shall be reduced pro rata.

7.03 If title to and property in any item of Equipment does not vest in the Purchaser pursuant to Clause 7.01, the Vendor shall (a) hold such item of Equipment (and all the Vendor's right, title and interest therein)

upon trust for the Purchaser absolutely and (b) at the Vendor's expense execute and do any and all such documents and things as the Purchaser shall from time to time reasonably request to transfer title to and property in that item of Equipment to the Purchaser.

8. MISCELLANEOUS

- 8.01 The Vendor hereby represents and warrants to the Purchaser that it is the legal and beneficial owner of the Equipment and has full authority and right to convey (and will convey) such ownership in the Equipment to the Purchaser free from encumbrances.
- 8.02 The Vendor shall indemnify and hold harmless the Purchaser from and against all losses, claims, actions, demands, costs and expenses of any kind whatever resulting from or arising out of defect in the title of the Vendor to the Equipment.
- 8.03 The Vendor agrees that the Vendor will assign to the Purchaser the full benefit of all assignable warranties given by any manufacturer, repairer or prior vendor of the Equipment and that the Vendor will use its best endeavours at the Vendor's cost to obtain any consents for such assignments that may be necessary from the manufacturer, repairer or vendor concerned.
- 8.04 This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute but one and the same instrument.

9. TAXES AND OTHER COSTS

- 9.01 Any taxes, fees, costs and expenses, connected with the sale and purchase of the Equipment shall be for the account of the Vendor.

10. NOTICES

- 10.01 (a) All notice, request, demand or other communication to or upon the respective parties hereto shall be deemed to have been duly given or made:-
- (i) if given or made by letter, five (5) Business Days after the relevant letter has been dispatched by registered mail, postage prepaid;
 - (ii) if delivered by hand, at the time of delivery;
 - (iii) if given or made by telex or facsimile, when sent and answerback or acknowledgement slip at the beginning and end of transmission received provided that if this occurs outside business hours in the location to which such telex or facsimile is dispatched it shall not be deemed to have been received until opening of business on the next succeeding business day in such location, and in each case addressed as follows:-

(aa) if to the Purchaser:-

Købmagergade 19,
1150 Copenhagen K,
Denmark

Facsimile No: 010 45 33 325870
Attention: N. Wendelboe-Nielsen

(bb) if to the Vendor:-

10 Elm Road
P.O. Box 8755
BWI Airport
Maryland 21240
United States of America

Facsimile No: 0101 410 859 7960
Attention: Director of Finance

or to such other address as the Purchaser or the Vendor may specify in writing to the other.

(b) Any and all notices hereunder shall, unless there is good reason preventing the same, be given or made by telex or facsimile or delivered by hand, provided that, in the case of notices hereunder given or made by telex or facsimile, the relevant giver or maker thereof shall, if reasonably requested so to do by the other party hereto, confirm the contents of such telex or facsimile in a letter to be dispatched by registered airmail, postage prepaid on the same day any such request is so made.

11. LAW

- 11.01 This Agreement shall be governed by, and construed in accordance with, English law.
- 11.02 Each party hereto, for the exclusive benefit of the other party hereto agrees that the High Court of Justice in England shall have jurisdiction to hear and determine any suit, action, or proceeding, and to settle any disputes which may arise out of or in connection with this Agreement ("Proceedings") and irrevocably submits to the jurisdiction of such court.
- 11.03 The submission to the jurisdiction of the courts referred to in Clause 11.02 shall not (and shall not be construed so as to) limit the right of the Purchaser to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.
- 11.04 The Vendor hereby waives any objection to any legal action or proceedings arising out of or in connection with this Agreement in such courts on the grounds of venue or the bringing thereof in an inconvenient forum and irrevocably appoints Legibus Secretaries Limited

of Royex House, Aldermanbury Square, London EC2V 7LD as its agent to receive for and on its behalf service of any proceedings in such Courts but the Purchaser reserves the right to proceed under this Agreement in the courts of any other country or jurisdiction having or claiming jurisdiction in respect of it.

12. CONSTRUCTION

12.01 The Clause headings in this Agreement are inserted for convenience of reference only and shall be ignored for the purposes of construction.

12.02 References in this Agreement to Clauses and Appendix are to the clauses of and appendices to this Agreement.

12.03 References to this Agreement shall include the Appendices.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

DEPARTMENT OF TRANSPORTATION OF MARYLAND

By: _____

BOARD OF PUBLIC WORKS OF MARYLAND

By: _____
William Donald Schaefer, Governor

By: _____
Lucille Maurer, Treasurer

APPROVED for form and legal sufficiency
for THE STATE OF MARYLAND

By: _____
Assistant Attorney General

SIGNED by)
for and on behalf of)
K/S NORDIC RAILCARLEASING)
in the presence of:-)

APPENDIX "A"

EQUIPMENT

ITEM

PRICE

APPENDIX "B"

CERTIFICATE OF PASSING OF TITLE

We the undersigned refer to the Agreement dated _____ 1991 made between us and hereby confirm that title to and property and risk in the Equipment referred to in that Agreement passed to K/S Nordic Railcarleasing pursuant to the said Agreement at _____ hours [_____] time on _____, 1991.

DEPARTMENT OF TRANSPORTATION OF MARYLAND

By: _____

BOARD OF PUBLIC WORKS OF MARYLAND

By: _____
William Donald Schaefer, Governor

By: _____
Lucille Maurer, Treasurer

Approved for form and legal sufficiency
for THE STATE OF MARYLAND

By: _____
Assistant Attorney General

K/S NORDIC RAILCARLEASING

By: _____

Dated _____, 1991

APPENDIX B

CLAUSE 3.04 REQUIREMENTS

The documents or other requirements referred to in Clause 3.04 are the following:-

- (a) confirmation from U.S. counsel appointed by or acceptable to the Owner that the Lessee has power to enter into the transactions the subject of the Sale and Purchase Agreement and this Agreement;
- (b) confirmation from the U.S. counsel referred to in (a) above that the requirements of U.S. federal or state law for authorisation of (i) the entering into of the transactions the subject of the Sale and Purchase Agreement and this Agreement and (ii) the execution of the Sale and Purchase Agreement and this Agreement and other documents of such transactions by the signatory or signatories on behalf of the Lessee, have been fulfilled.
- (c) specimen signatures, formally authenticated by the Lessee, of each of the authorised signatories referred to in Clause 3.04(b);
- (d)
 - (i) the Sale and Purchase Agreement duly executed by the Lessee and the Owner together with such evidence as to the title of the Lessee to the Equipment and its authority and ability to enter into and perform its obligations under the Sale and Purchase Agreement as the Owner may require;
 - (ii) the Loan Agreement, the Security Assignment and the Security Agreement duly executed by the Owner and/or the Bank as the case may require, together with any documents required thereunder;
- (e) an invoice in respect of the Total Cost;
- (f) the insurance documents described in Clause 8.04;
- (g) a satisfactory valuation of the Equipment;
- (h) approvals of the Board of Public Works of Maryland and the Urban Mass Transportation Administration in form and substance satisfactory to the Owner;
- (i) the opinion of Danish tax counsel appointed by or acceptable to the Owner, in form and substance satisfactory to the Owner;
- (j) the opinion of UK counsel appointed by or acceptable to the Owner, in form and substance satisfactory to the Owner; and
- (k) the opinion of UK counsel appointed by or acceptable to the Bank, in form and substance satisfactory to the Bank.

APPENDIX C

TERMINATION VALUES

Termination Value A and Termination Value B means, as at any date, the amount equal to the percentage of the Total Costs specified in Column (ii) and (iii) below respectively opposite the date in Column (i) below which is, or immediately precedes, that date together within the case of Termination Value A an amount equal to interest on such sums from such immediately preceding date to the Termination Date or other date on which such Termination Value is payable at the rate of 7% per annum if the relevant date is not a date stated below;

<u>(i)</u> <u>Date</u>	<u>(ii)</u> <u>Termination Value A</u> <u>(per cent of</u> <u>Package Cost)</u>	<u>(iii)</u> <u>Termination Value B</u> <u>(per cent of</u> <u>Package Cost)</u>
31 December 91	94.0000%	11.0000%
30 June 92	93.1444%	10.6811%
31 December 92	92.2947%	10.3553%
30 June 93	91.3607%	9.0598%
31 December 93	90.4472%	8.7341%
30 June 94	89.4482%	7.4645%
31 December 94	88.4663%	7.1405%
30 June 95	87.3976%	5.8997%
31 December 95	86.3423%	5.5789%
30 June 96	85.2157%	4.3688%
31 December 96	84.0823%	4.0528%
30 June 97	82.8593%	2.8796%
31 December 97	81.6416%	2.5707%
30 June 98	80.3328%	2.2631%
31 December 98	79.0247%	1.9472%
30 June 99	77.6237%	1.6330%
31 December 99	76.2187%	1.3106%
30 June 2000	74.7338%	0.9885%
31 December 2000	73.2254%	0.6600%
30 June 2001	71.6204%	0.3340%
31 December 2001	70.0006%	0.0002%
30 June 2002	68.2820%	0.5281%
31 December 2002	66.5428%	1.0746%
30 June 2003	64.7025%	1.6223%
31 December 2003	62.8353%	2.1889%
30 June 2004	60.8767%	2.7594%
31 December 2004	58.8726%	3.3460%
30 June 2005	56.7623%	3.9330%
31 December 2005	54.6110%	4.5391%

Termination Value A and Termination Value B as at each Date shown above do not include the instalment of rent due on that date (which shall be due and payable by the Lessee on that date).

APPENDIX D

CERTIFICATE OF DELIVERY AND ACCEPTANCE

Name in Full: The State of Maryland acting through The Department of Transportation of Maryland

Address: 10 Elm Road, PO Box 8755, BWI Airport, Maryland 21240, United States of America

Insurance Broker or Company and Address:

Insurance Broker:

TO: The Owner

ACCEPTANCE CERTIFICATE

We hereby confirm and certify to you that:

- (i) we have duly received the Equipment and we hereby acknowledge that the Equipment is the Equipment referred to in Schedule 1 to the Lease detailed below;
- (ii) we duly inspected the Equipment and we are satisfied that the Equipment is complete and in all respects in satisfactory working order and condition;
- (iii) all safety regulations in relation to the Equipment have been complied with and all required or recommended safety apparatus or appliances (if any) have been correctly installed or supplied with the Equipment as the case may be;
- (iv) full and proper information and instruction manuals relating to the use, operation (and maintenance where appropriate) of the Equipment has been received by us; and
- (v) insurance cover in respect of the Equipment has been effected in accordance with the terms of the Lease.

Description of the Equipment

As per Schedule 1 to the said Lease dated November, 1991.

Dated: , 1991

DEPARTMENT OF TRANSPORTATION OF MARYLAND

By: _____

APPROVED for form and legal)
sufficiency for THE STATE OF)
MARYLAND:-)

By: _____

Assistant Attorney General

APPENDIX E

CLAUSE 3.06 REQUIREMENTS

The documents or other requirements referred to in Clause 3.06 are the following:-

- (a) an officers certificate of the Owner;
- (b) (i) the Sale and Purchase Agreement duly executed by the Lessee and the Owner together with such evidence of the Owner's authority and ability to enter into and perform its obligations under the Sale and Purchase Agreement as the Lessee may require;
(ii) the Loan Agreement, the Security Assignment and the Security Agreement duly executed by the Owner and/or the Bank as the case may be, together with any documents required thereunder;
- (c) the documents described and required at closing in Clause 10.10(a) and (b);
- (d) the opinion of Danish counsel appointed by or acceptable to the Lessee, in form and substance satisfactory to the Lessee;
- (e) the opinion of UK counsel appointed by or acceptable to the Lessee, in form and substance satisfactory to the Lessee; and
- (f) the opinion of U.S. counsel appointed by or acceptable to the Lessee, in form and substance satisfactory to the Lessee.

CORPORATE ACKNOWLEDGEMENT

State of Maryland

ss.:

Anne Arundel County

On this 22nd day of November, 1991, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of The Department of Transportation of Maryland, a principal department and unit of the State of Maryland (the "agency"), that the foregoing instrument was signed on behalf of said agency by authority of its Board of Public Works and he acknowledged that the execution of the foregoing instrument was the free act and deed of said agency.

.....
Signature of Notary Public

Denmark

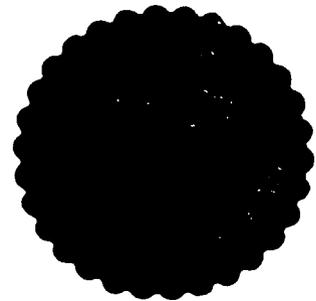
ss.:

City of Copenhagen

On this ^{28th} 22nd day of November, 1991, before me personally appeared *Mr. Henning Pellig*, to me personally known, who being by me duly sworn, says that he is the attorney-in-fact of K/S Nordic Railcarleasing (the "Limited Partnership"), that the foregoing instrument was signed on behalf of said Limited Partnership by authority of its general partner, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Limited Partnership.

Ilse Greby
.....
Signature of Notary Public

ILSE GREBY
Notary public of Copenhagen



CORPORATE ACKNOWLEDGEMENT

State of Maryland

ss.:

Anne Arundel County

On this 22nd day of November, 1991, before me personally appeared Stuart L. Myers, to me personally known, who being by me duly sworn, says that he is the Acting Director, Finance of The Department of Transportation of Maryland, a principal department and unit of the State of Maryland, that the foregoing instrument was signed on behalf of said agency by authority of its Board of Public Works and he acknowledged that the execution of this foregoing instrument was the free act and deed of said agency.

Phyllis D. Kreischer
Signature of Notary Public
My commission expires:

NOTARY PUBLIC, State of Maryland
My Commission Expires July 1, 1993

Denmark

ss.:

City of Copenhagen

On this ___th day of _____, 1991, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of _____, a general partner of K/S Nordic Railcarleasing (the "Limited Partnership"), that the foregoing instrument was signed on behalf of said Limited Partnership by authority of its general partner, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Limited Partnership.

Signature of Notary Public
My commission expires:

The undersigned notary public has compared this copy with the original and has found such copy to be complete and identical in all respects to the original document filed on December 27, 1991.

JAMES A. NASH
NOTARY PUBLIC, State of New York
No. 4794779
Qualified in Queens County
Expires March 30, 1993

James A. Nash
Signature of Notary Public

To: The State of Maryland
acting through The Department
of Transportation of Maryland

We refer to a Lease Agreement dated 22nd November, 1991 between yourselves and ourselves ("Lease").

We hereby agree that the Lease shall be and is hereby amended as follows:

(a) By inserting a new Clause 2.02(k) as follows:

"each member of the Owner is and will remain a resident of Denmark, or an entity organized in Denmark or under the laws of Denmark, entitled to the benefits of the Convention Between the United States of America and Denmark Relating to Taxes on Income, or, is and will remain a resident of Austria or an entity organized in Austria or under the laws of Austria, entitled to the benefits of the Convention Between the United States of America and the Republic of Austria for the Avoidance of Double Taxation with Respect to Taxes on Income, or, is and will remain a resident of Norway, or an entity organized in Norway or under the laws of Norway, entitled to the benefits of the Convention Between the United States of America and Norway for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Property, or is and will be approved in writing by the Lessee."; and

(b) By inserting a new Clause 7.03(d) as follows:

"Taxes that would not have been imposed had the Owner and each member of the Owner being and remained a resident of Denmark, or an entity organised in Denmark or under the laws of Denmark, entitled to the benefits of the Convention between the United States of America and Denmark Relating to Taxes on Income or each member of the Owner being and remained a resident of Austria, or an entity organised in Austria or under the laws of Austria, entitled to the benefits of the Convention between the United States of America and the Republic of Austria for the Avoidance of Double Taxation with Respect to Taxes on Income or each member of the Owner being and remained a resident of Norway, or an entity organised in Norway or under the laws of Norway, entitled to the benefits of the Convention between the United States of America and Norway for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Property."; and

(c) By deleting the wording of Clause 16.01 and substituting the following wording:

"16.01 Each party shall be responsible for its own legal costs hereunder."

This letter is supplemental to the Lease and shall be construed accordingly. The Lease shall, where like context requires, be read and construed throughout so as to incorporate the amendments set out herein and references to "this Agreement" shall be to the Lease as amended and supplemented by this letter. Save as amended hereby, the Lease shall continue in full force and effect.

Signed by)
ROBERT BUTLER)
for and on behalf of)
K/S NORDIC RAILCARLEASING)
in the presence of:-)

Robert Butler

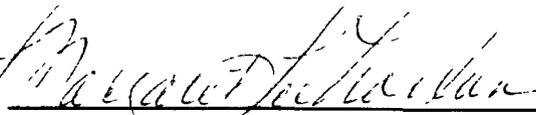
NOTARY PUBLIC
LONDON, ENGLAND
A. J. BURGESS

We approve and agree to the terms of the above letter.

STATE OF MARYLAND
DEPARTMENT OF TRANSPORTATION OF MARYLAND


Stuart L. Myers
Acting Director of Finance

APPROVED FOR FORM AND LEGAL SUFFICIENCY
FOR THE STATE OF MARYLAND


Margaret Lee Norton
Assistant Attorney General

CORPORATE ACKNOWLEDGMENT

State of Maryland

SS.:

Anne Arundel County

On this 15th day of December, 1991, before me personally appeared Stuart L. Myers, to me personally known, who being by me duly sworn, says that he is the Acting Dir. of Finance of The Department of Transportation of Maryland, a principal department and unit of the State of Maryland, that the foregoing instrument was signed on behalf of said agency by authority of its Board of Public Works and he acknowledged that the execution of the foregoing instrument was the free act and deed of said agency.

Phyllis T. Kreisher
Signature of Notary Public
My commission expires:

PHYLLIS T. KREISHER
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires July 1, 1993

Denmark

SS.:

City of Copenhagen

On this ___ day of December, 1991, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of _____, a general partner of R/S Nordic Railcarleasing (the "Limited Partnership"), that the foregoing instrument was signed on behalf of said Limited Partnership by authority of its general partner, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Limited Partnership.

Signature of Notary Public
My commission expires:

The undersigned notary public has compared this copy with the original and has found such copy to be complete and identical in all respects to the original document filed on December 27, 1991.

Gail L. Porter
Signature of Notary Public

GAIL L. PORTER
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires February 14, 1993

