

8372-B

ASSIGNMENT OF RENTS

THIS AGREEMENT made this 15th day of June, 1976, between CASTLE CAPITAL CORPORATION, having its office located at 1345 Avenue of the Americas, New York, New York (hereinafter called "CASTLE"), and PENN-DIXIE INDUSTRIES, INC., having its office located at 1345 Avenue of the Americas, New York, New York (hereinafter called "PENN-DIXIE").

W I T N E S S E T H :

WHEREAS, CASTLE and PENN-DIXIE have entered into an Equipment Lease Agreement dated the 15th day of June, 1976, a copy of which is attached, wherein and whereby CASTLE leased to PENN-DIXIE certain gondola railroad cars; and

WHEREAS, the rent to be paid in accordance with the terms of such lease is to be assigned by CASTLE to STATE BANK OF ALBANY, a trust company with its principal place of business located at 69 State Street, Albany, New York, as security for the payment of an indebtedness of CASTLE,

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which is hereby acknowledged, IT IS AGREED:

All rent payments due and to become due under the terms of said Equipment Lease Agreement are hereby assigned to and shall be paid to STATE BANK OF ALBANY, to be applied in reduction of the aforesaid indebtedness of CASTLE, or in such other manner as shall be agreed between Castle Capital Corporation and said Bank.

STATE BANK OF ALBANY, as a Secured Party, is authorized to file a financing statement in connection herewith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS:

On this 15 day of June, 1976, before me, the subscriber, personally appeared Oliver K Parry to me personally known, who, being by me duly sworn, did depose and say that he resides at 260 Ocean Ave Sea Bright N.J., that he is the President of CASTLE CAPITAL CORPORATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Mary M. McLaughlin

MARY M. McLOUGHLIN
Notary Public, State of New York
No. 41-4520695
Qualified in Queens County
Commission Expires March 30, 1978

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS:

On this 15 day of June, 1976, before me, the subscriber, personally appeared Harvey Kushner to me personally known, who, being by me duly sworn, did depose and say that he resides at 4 Hilltop Drive Great Neck N.Y., that he is the Exec Vice Pres of PENN-DIXIE INDUSTRIES, INC., one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Mary M. McLaughlin

MARY M. McLOUGHLIN
Notary Public, State of New York
No. 41-4520695
Qualified in Queens County
Commission Expires March 30, 1978

CASTLE CAPITAL CORPORATION

EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (this "Agreement"), dated this 15th day of June, 1976, by and between CASTLE CAPITAL CORPORATION, a New York corporation (the "Lessor"), and PENN-DIXIE INDUSTRIES, INC., a Delaware corporation (the "Lessee").

1. LEASING

In consideration of the representations, warranties and covenants herein contained and subject to the conditions set forth in Section 4 hereof, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor such units of equipment (the "Units") described in the Equipment Lease Schedule (the "Schedule") attached hereto and a part hereof. Lessee acknowledges delivery and acceptance of the Units.

2. TERM, RENT AND PAYMENT

2.1 Term. The lease of and rent for the Units shall commence on the day specified in the Schedule and shall continue for the period specified as the "term" in such Schedule. If any such term be extended, the word "term" or "period" as used in this Agreement shall be deemed to refer to the extended term, and all provisions of this Agreement shall apply during and until the expiration of such extended period, except as may be otherwise specifically provided in this Agreement or in any subsequent written agreement of the parties.

2.2 Rent. The rent for the Units shall be in the amount set forth in the Schedule and shall be payable in arrears at the times set forth in the Schedule. As additional rent, Lessee shall pay and discharge all taxes and other impositions as required by Section 2.3 hereof.

2.3 Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state or federal taxes (other than any United States federal income tax payable by the Lessor in consequence of the receipt of payments provided herein and other than the aggregate of all state or city income taxes or franchise taxes measured by net income based on such receipts, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), assessments, duties or license fees, and any charges, fines or penalties in connection therewith (all such expenses, taxes, assessments, duties, license fees, charges, fines and penalties being hereinafter called "impositions"), hereafter levied or imposed upon or in connection with or measured by, this Lease or any sale, rental, use, payment, shipment, import, export, delivery or transfer of title under the terms hereof, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. At the option of the Lessor, such payment of impositions by the Lessee shall be made directly to the appropriate taxing authority. Subject to the limitation set forth in the parenthetical clause commencing on the fourth line and ending on the tenth line of this Section 2.3, the Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Lessor or result in a lien upon such Unit; provided, however, that the Lessee shall be under no obligation to pay any impositions so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor, materially adversely affect the property or rights of the Lessor hereunder and does not create the danger of Lessor incurring criminal liability of any kind. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of an invoice therefor.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor in such Units or notify the Lessor of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor.

In the event that, during the continuance of the Lease, the Lessee becomes liable for the payment or reimbursement of any impositions pursuant to this Section 2.3, such liability shall continue, notwithstanding the expiration of the Lease, until all such impositions are paid or reimbursed by the Lessee.

2.4 Payment. Rent shall be paid to Lessor at its office at 1345 Avenue of the Americas, Borough of Manhattan, City of New York, New York 10019, or as directed by Lessor, and shall not be abated or pro-rated for any cause or reason. Lessee's obligation to pay all rent under this Agreement shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation, any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or any assignee of Lessor.

3. REPRESENTATIONS AND WARRANTIES

3.1 Lessor's Representations and Warranties. Lessor represents and warrants that Lessor shall have whatever title was conveyed to it by the seller from whom Lessor purchased the Units and that the Units shall be free of liens and encumbrances which may result from any claims against Lessor not related to Lessor's ownership of the Units. Lessor further represents and warrants that it has the lawful right to lease the Units to Lessee in accordance with the terms hereof. Unless an Event of Default (as defined in Section 13 hereof) shall have occurred and be continuing, Lessor agrees to assign to Lessee, to the extent assignable, for and during the term of this Agreement, such rights as Lessor may have under any warranty with respect to the Units and hereby authorizes Lessee during the term of this Agreement to obtain any customary service furnished in connection therewith. Lessor without assuming responsibility for compliance by the manufacturer, distributor, seller or reconditioner of the Unit, will upon Lessee's written request ask the manufacturer, the manufacturer's authorized vendor, the seller or the reconditioner to authorize Lessee to enforce in Lessee's own name all warranties, agreements or representations, if any, which may be made by the manufacturer, the manufacturer's authorized vendor, the seller or the reconditioner to Lessor and Lessor agrees to cooperate with Lessee in the enforcement thereof, it being understood that any out-of-pocket expense incurred by Lessor in connection therewith shall be for the account of Lessee. THE WARRANTIES OF LESSOR SET FORTH IN THIS SECTION 3.1 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, GUARANTEES OR COVENANTS OF LESSOR WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, AND LESSOR HAS NOT AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE UNITS UNDER THIS AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN THE UNITS, BUT NOTHING HEREIN CONTAINED SHALL BE DEEMED TO LIMIT LESSEE FROM AVAILING ITSELF OF ANY WARRANTIES ASSIGNED BY LESSOR TO LESSEE.

3.2 Lessee's Representations and Warranties. Lessee represents and warrants that:

(a) Lessee is a corporation duly organized and existing in good standing under the laws of the State of Delaware and is duly qualified to do business wherever necessary to carry on its present business and operations;

(b) This Agreement has been duly authorized by all necessary corporate action on the part of Lessee, does not require any shareholder approval and does not contravene any law binding on Lessee or contravene Lessee's Articles of Incorporation or By-Laws or any indenture, credit agreement or other contractual agreement to which Lessee is a party or by which it is bound;

(c) Neither the execution and delivery by Lessee of this Agreement nor any of the transactions by Lessee contemplated hereby require any notice, consent or approval;

(d) This Agreement constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms;

(e) There are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect Lessee's financial condition or operations;

(f) The audited balance sheet of Lessee as of December 31, 1975 and the related audited earnings statement of Lessee for the twelve months then ended (copies of which have been furnished to Lessor) correctly set forth Lessee's financial condition as of such dates and results of its operations for such periods, and since December 31, 1975 there has been no material adverse change in such condition or operations.

4. CONDITIONS TO LESSOR'S OBLIGATION

Lessor's obligation to lease the Units hereunder is subject to the receipt by Lessor of the following documents, in each case in form and substance satisfactory to Lessor and its counsel:

(a) Resolutions of the Board of Directors of Lessee or the duly empowered Executive Committee of that Board, certified by the Secretary or an Assistant Secretary of Lessee, duly authorizing the lease of the Units hereunder and the execution, delivery and performance of this Agreement, together with an Incumbency Certificate as to the person or persons authorized to execute and deliver this Agreement on behalf of Lessee;

(b) Evidence satisfactory to Lessor as to the due compliance by Lessee with the insurance provisions of Section 8 hereof.

5. REPORTS

5.1 Location of Units. Upon demand Lessee shall advise Lessor where each Unit is located and shall permit persons designated by Lessor to examine each Unit.

5.2 Accidents. In the event of an accident arising out of the alleged or apparent improper manufacturing, reconditioning, functioning or operation of any Unit, Lessee shall promptly file with the appropriate state and federal agencies all notices required by law and shall promptly deliver to its insurance carriers all notices called for under each policy of insurance relating to such Unit. Concurrently with such filing or delivery, Lessee shall deliver to Lessor a copy of the notice so filed or delivered. Lessee shall also deliver to Lessor any additional information with respect to such accident which Lessor shall reasonably request and shall promptly advise Lessor of all correspondence, papers, notices and documents whatsoever received by Lessee in connection with any claim or demand involving or relating to any such accident or charging Lessor with liability with respect to any accident relating to the Units, and, together with Lessee's employees, shall aid in the investigation and defense of all such claims and shall aid in the recovery of damages from third persons liable therefor.

5.3 Additional Reports. Lessee shall also furnish to Lessor such additional information concerning the location, condition, use and operation of the Units as Lessor may reasonably request from time to time and Lessee shall permit any person designated by Lessor to visit and inspect the Units and the records maintained in connection therewith and to discuss the affairs, finances and accounts of Lessee with the principal officers of Lessee, all at such reasonable times as often as Lessor may reasonably request.

5.4 Tax Liens. Lessee shall notify Lessor in writing, within ten days after any day on which any tax lien shall attach to any Unit, of the location of such Unit on such day.

5.5 Movement of Units. Lessee shall notify Lessor forthwith in writing of the location of any Unit moved by Lessee from the place where delivered to Lessee or from the location specified in the Schedule applicable thereto or in any supplemental agreement subsequently executed.

5.6 Financial Reports. Lessee shall, as soon after the close of each fiscal year of Lessee as they are furnished to Lessee's shareholders, furnish the Lessor in duplicate copies of Lessee's most recent financial reports, including Lessee's most recent annual report and balance sheet and profit and loss statement, certified by either a recognized firm of Certified Public Accountants or by the chief financial officer of Lessee. Interim statements so certified shall be furnished as requested by Lessor. In addition, Lessee shall, concurrently with the filing thereof, furnish Lessor with copies of all reports filed with the Securities and Exchange Commission.

6. SERVICE

6.1 Supplies. Lessee shall pay for and provide all power, fuel and supplies consumed by and required for each Unit and all repairs, parts and supplies necessary therefor.

6.2 Maintenance. Lessee shall at its sole expense at all times during the term of this Agreement maintain each Unit in good operating order, repair, condition and appearance, ordinary wear and tear excepted, and keep the same protected from the elements, except during use in the normally contemplated manner. Lessee shall maintain on each Unit any insignia or identification requested by Lessor and shall not remove such insignia or identification without the prior written consent of Lessor.

6.3 Accessories. Lessee shall not, without the prior written consent of Lessor, affix or install any accessory, equipment or device on any Unit if such addition will impair the originally intended function or use of any such Unit. All repair parts, supplies, accessories, equipment and devices furnished or affixed to any Unit shall thereupon become the property of Lessor (except such as may be removed without in any wise affecting or impairing the originally intended function or use of such Unit). Lessee shall not, without the prior written consent of Lessor and subject to such conditions as Lessor may impose for its protection, affix or install any unit to or in any other personal property or any real property.

6.4 Suitability. Lessee acknowledges and agrees that (i) each Unit is of a size, design, capacity and manufacture selected by Lessee, (ii) Lessee is satisfied that the same is suitable for its purposes and (iii) Lessor is not a manufacturer thereof nor a dealer in property of such kind. Lessee agrees that Lessor shall not be liable to Lessee for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by any Unit or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failing to provide any thereof, or any interruption or loss of service or use thereof, or any loss of business, or any damage whatsoever and howsoever caused.

7. USE AND OPERATION

7.1 Permitted Use. Lessee shall not use, operate, maintain or store any Unit in violation of this Agreement. Lessee shall not use or operate any Unit in a manner that would impair the applicability of manufacturer's, dealer's, seller's or reconditioner's warranties or render a Unit unfit for its originally intended use; nor let or use the same for hire other than to the extent and in the manner similar property has heretofore been let or used for hire in the regular and ordinary course of Lessee's business nor, without the prior written consent of Lessor (which shall not be unreasonably withheld) and of any party to whom a security interest in the Units or this lease is granted, assign this Agreement or sublease or let the Unit (it being understood that written consent in one instance shall apply only in the given instance and shall not constitute a waiver of any of the terms of this Agreement) or permit anyone other than its authorized and competent agents or employees to operate the same, or permit any Unit to be subject to any lien, charge or encumbrance whatsoever.

7.2 Compliance with Applicable Laws. The Lessee agrees, for the benefit of the Lessor, to comply in all respects with all laws of the jurisdictions in which the Units may be operated and with all lawful rules of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units and the Lessee shall and does hereby indemnify the Lessor and agrees to hold the Lessor harmless from and against any and all liability that may arise from any infringement or violation of any such laws or rules by the Lessor or the Lessee, or their employees or any other person. In the event that such laws or rules require alteration of the Units or in case any equipment or appliance on any such Unit shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on such Unit in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such alterations, changes, additions and replacements at its own expense; and the Lessee agrees at its own expense to use, maintain and operate such Unit in full compliance with such laws, regulations, requirements and rules so long as it is subject to this Lease; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, materially adversely affect the property or rights of the Lessor hereunder and does not create the danger of Lessor incurring criminal liability of any kind.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit which is subject to this Lease in good order and repair, ordinary wear and tear excepted.

Any and all additions to any Unit and any and all parts installed on or replacements made to any Unit shall be considered accessions to such Unit (except such as can be removed without damage to, and without impairing the originally intended function or use of such Unit and without cost or expense to the Lessor) and full ownership thereof free of any lien, charge, security interest or encumbrance shall immediately be vested in the Lessor. Upon termination of this Lease, the Lessee will restore the Units to satisfactory operating condition and to their original physical condition at the time of delivery thereof to the Lessee hereunder, ordinary wear and tear excepted.

7.3 Assumption of Risk. Lessee assumes all risks and liability for each Unit leased hereunder and shall be liable for and shall save and hold harmless the Lessor against any and all claims, suits, damages, penalties, liabilities, costs and attorney's fees arising out of the use, operation and storage of the Unit during the term for each such Unit and thereafter until possession of such Unit has been returned to Lessor in accordance with the terms hereof which result in death, injury, sickness or disease to persons or damage to property, including loss of use thereof.

8. INSURANCE

At its own expense, Lessee shall maintain insurance on each Unit for the actual value of such Unit and in no event for less than the "Stipulated Loss Value" specified in the Schedule pertaining thereto, and shall maintain public liability and property damage insurance with respect to each Unit. All such insurance shall name Lessee and Lessor as insured thereunder and shall be in amounts, including deductibles, and with companies approved by Lessor which approval shall not be unreasonably withheld. Evidence of such coverage shall be delivered to Lessor prior to execution of this Agreement. Thereafter, Lessee will deliver to Lessor all renewal policies of insurance issued in accordance with the terms and conditions as set forth above. Lessee will cause its insurers to advise Lessor in writing promptly in the event such insurance is as a result of any default in payment of premium or any other act or omission invalidated or rendered unenforceable in whole or part. All insurance policies and coverage required under the terms of this Lease shall provide for not less than thirty (30) days notice to Lessor at the address stated herein, in the event of reduction, termination or cancellation of insurance by Lessee of its insurers. In the event that Lessee shall fail to maintain insurance as herein provided, Lessor may, at its option, provide such insurance and, in such event, Lessee shall upon demand, reimburse Lessor for the cost thereof.

9. INDEMNIFICATION AND EXPENSES

Lessee does hereby assume liability for, and does hereby agree to indemnify, protect, save and keep harmless Lessor and its successors, representatives, assigns, agents, and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor or its successors, assigns, agents and servants (whether or not also indemnified against by any other person) in any way relating to or arising out of manufacture, purchase, acceptance or rejection, ownership, delivery, lease, possession, use, operation, condition, return or other disposition (other than disposition by Lessor after the term for such Unit where such liability is not the result of a breach by Lessee of its obligations hereunder) of the Units (including, without limitation, patent and other defects, whether or not discoverable by Lessor or Lessee, and any claim for patent, trademark or copyright infringement). Lessee agrees to give Lessor and Lessor agrees to give Lessee prompt written notice of any claim or liability hereby indemnified against. All the indemnities contained in this Section 9 shall as to matters arising during the term hereof with respect to each Unit continue in full force and effect notwithstanding the expiration or other termination of this Lease. Notwithstanding anything to the contrary contained in this Section, any legal fees incurred by either party hereto in connection with any dispute between Lessor and Lessee as to this Agreement shall be borne by the party for whose benefit such fees were incurred.

10. DAMAGE TO EQUIPMENT

Lessee assumes all risks of loss, theft or destruction of, and damage to, each Unit, howsoever occasioned and shall defend and hold Lessor harmless from any thereof and from all claims and liens for storage, labor and materials incurred by Lessee in connection with any Unit. Should a Unit be damaged so as to preclude its use for the purpose intended by reason of any cause for which Lessor shall be indemnified pursuant to any collectible insurance pertaining to such Unit and should Lessor have made a full insurance recovery with respect thereto in an amount not less than the "Stipulated Loss Value" specified in the Schedule, this Agreement shall terminate as to such Unit; provided, however, that upon mutual agreement of Lessor and Lessee the proceeds of such insurance recovery may be applied to the repair or replacement of such Unit. Should a Unit be damaged so as to preclude its use for the purpose intended by reason of any cause for which Lessor shall not be fully indemnified pursuant to any collectible insurance pertaining to such Unit and should Lessor have made an insurance recovery with respect thereto in an amount which is less than the Stipulated Loss Value specified in the Schedule and should such Unit in the reasonable judgment of Lessee be capable of repair, Lessee shall repair or replace the same at its cost and the proceeds of the insurance recovery shall be applied to the cost of such repair or replacement. Should a Unit be damaged beyond repair or be lost, stolen or wholly destroyed by reason of any cause for which Lessor shall not be fully indemnified pursuant to any insurance pertaining to such Unit, then this Agreement shall cease and terminate as to such Unit and Lessee shall pay Lessor the Stipulated Loss Value specified in the Schedule, less the amount of any insurance recovery received by Lessor. Upon receipt by Lessor pursuant to the terms of this Section 10 of an amount equal to the Stipulated Loss Value for a Unit, title thereto shall automatically be transferred to Lessee and Lessor shall execute and deliver such documents as Lessee shall reasonably request to evidence such transfer, without recourse or warranty except that Lessor shall warrant that the Units so transferred are free and clear of liens, encumbrances and defects of title which result from claims by or in favor of any person claiming by, through or under Lessor not related to the transactions contemplated by this Agreement.

11. RETURN OF UNITS

Lessee agrees by the acceptance of each Unit that such Unit is in good operating order, repair, condition and appearance. At the expiration or sooner termination of the term pertaining thereto (unless purchased by Lessee pursuant to Section 12 hereof), Lessee shall return each Unit to Lessor free of all advertising or insignia placed thereon by Lessee and in the same operating order, repair, condition and appearance as when received, excepting only for ordinary wear and tear and damage by any cause covered by collectible insurance, and shall pay

for any repairs necessary to restore such Unit to such condition. Lessee shall return each Unit to Lessor in the same city in which Lessee first received the same or, if Lessor shall so request, Lessee shall load the same at its expense on board such carrier as Lessor shall specify and ship the same freight collect as directed by Lessor. If the Lessor so requests, the Lessee will defer such return of any Unit and will, without expense to the Lessor, store any such Unit at premises of the Lessee approved by Lessor, for a period of not to exceed ninety (90) days from the date of the expiration or sooner termination of the term pertaining to such Unit, the obligations of the Lessee during that interval in respect to such Unit being those of a bailee for hire. Notwithstanding the foregoing, Lessor may, if it so elects and provided it gives Lessee thirty (30) days' advance notice, abandon any Unit on the premises of Lessee. Lessee and Lessor agree that in the event of any such abandonment Lessee and Lessor will execute and deliver such documents as either party shall reasonably request to evidence transfer of title of the Units so abandoned to Lessee.

12. LESSEE'S OPTION TO PURCHASE

Provided that the Lessee is not in default hereunder, Less shall have the right to purchase all, but not less than all, of the Units leased hereunder at the expiration of the original term therefor at a price equal to their then "fair market value" (as hereinafter defined). The Lessee shall give the Lessor written notice 120 days prior to the end of the original term of its election to exercise such option. Payment of the option price shall be made at the place of payment specified in Section 2.3 hereof in funds there current against delivery of a bill of sale transferring such Units to the Lessee, without recourse or warranty except that Lessor shall warrant that the Units so transferred are free and clear of liens, encumbrances and defects of title which result from claims by or in favor of any person claiming by, through or under Lessor not related to the transactions contemplated by this Agreement. The "fair market value" of such Units shall be determined by an appraiser selected by mutual agreement of the Lessor and the Lessee. If the Lessor and the Lessee are not able to agree upon an appraiser, the fair market value shall be determined as follows: Lessor and Lessee shall each appoint an independent appraiser and such appraisers shall promptly appoint a third appraiser. Such group of three appraisers shall determine the fair market value by a majority judgment. The fair market value as finally determined shall bear interest for the period, if any, from the date of expiration of this Lease to the date of payment at the rate of 12% per annum. Unless the Lessee has given the Lessor 120 days' notice as required in connection with exercise of the foregoing option, the Units shall be returned to the Lessor.

13. DEFAULTS

If during the continuance of this Lease one or more of the following events ("Events of Default") shall occur:

(a) default shall be made in the payment when due of any rent herein provided and such default shall continue for ten (10) days after written notice thereof to Lessee; or

(b) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for ten days after written notice from the Lessor to the Lessee specifying the default and demanding the same to be remedied; or

(c) a decree or order by a court having jurisdiction in the premises shall have been entered (i) adjudging the Lessee a bankrupt or insolvent, or (ii) approving as properly filed a petition seeking reorganization of the Lessee under the Bankruptcy Act or any other state or federal law relating to bankruptcy or insolvency, or (iii) for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of the Lessee or of its property or any substantial portion of its property, or (iv) for the winding up or liquidation of the affairs of the Lessee, and such decree or order shall have remained in force undischarged and unstayed for sixty (60) days; or

(d) the Lessee shall (i) institute proceedings to be adjudged a voluntary bankrupt, or (ii) consent to the filing of a bankruptcy proceeding against it, or (iii) file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or (iv) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or (v) make an assignment for the benefit of the creditors, or shall admit in writing its inability to pay its debts generally as they become due, or (vi) take any corporate action in furtherance of any of the aforesaid purposes:

then, in any such case, the Lessor at its option may

(A) proceed by appropriate court action or actions either at law or in equity to enforce performance by Lessee of the applicable covenants and terms of this Agreement or to recover from Lessee any and all damages or expenses, including reasonable attorneys' fees, which Lessor shall have sustained by reason of Lessee's default in any covenant or covenants of this Agreement or on account of Lessor's enforcement of its remedies hereunder; or

(B) by notice in writing to Lessee, terminate Lessee's right under this Agreement and take possession of all of the equipment leased hereunder (damages occasioned by such taking of possession are hereby expressly waived by Lessee), and thereupon Lessee's right to the possession thereof shall terminate. In the event of any such repossession, Lessor shall either (i) lease the Units or any portion thereof for such period and rent, and to such persons, as Lessor shall elect or (ii) sell the Units or any portion thereof at public or private sale and without notice of intention to sell. If any Unit is sold, leased or otherwise disposed of pursuant to this clause (B), Lessee shall be liable to Lessor for, and Lessor may recover from Lessee, as liquidated damages for the breach of this Agreement, but not as a penalty, and as reasonable rent for the use of such Unit and for the depreciation thereof, the amount by which the proceeds of such lease, sale or other disposition, less expenses of retaking, storage, repairing and lease, sale or other disposition, and reasonable attorneys' fees incurred by Lessor is less than the sum of (1) all due and unpaid rent for such Unit, (2) the "Stipulated Loss Value" as of the date of repossession by Lessor, (3) an amount equal to accrued taxes, and other amounts payable hereunder by Lessee with respect to such Unit, (4) all costs, expenses, losses, and damages incurred or sustained by Lessor by reason of such default, and (5) interest at the rate of 12% per annum on each of the foregoing and on all sums not paid when due under any provision of this Agreement. If on the date of such termination or repossession, any Unit or any part thereof be damaged, lost, stolen or destroyed, or be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall also remain liable for the "Stipulated Loss Value" pertaining to such Unit less the amount of any insurance recovery received by Lessor in connection therewith.

14. ASSIGNMENT BY LESSOR

Lessee acknowledges and understands that the terms and conditions of this Agreement have been agreed to by Lessor with the expectation that it will be able to assign its interest under this Agreement and in and to the Units leased hereunder, upon advance notice to Lessee and with provision for assignees' acknowledgment of Lessee's interest, to a bank or other lending institution or to others having an interest in the leased Units or this transaction, all or some of which will rely upon and be entitled to the benefit of the provisions of this Section 14; and Lessee agrees with Lessor and with such bank or other lending institution or such other party (for whose benefit this covenant is expressly made) and in consideration of the provisions hereof, as follows: (i) to recognize any such assignment, (ii) to accept the directions or demands of such assignee in place of those of Lessor, (iii) to surrender any leased property only to such assignee, (iv) to pay all rent payable hereunder and to do any and all things required of Lessee hereunder and not to terminate this Agreement, notwithstanding any default by Lessor or the existence of any offset as between Lessor and Lessee or the existence of any other liability or obligation of any kind or character on the part of Lessor to Lessee whether or not arising hereunder, and (v) not to require any assignee of this Agreement to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Agreement, all rights of Lessee in any such connection being hereby waived as to any and all of such assignees; provided, however, that nothing contained in this Section 14 shall relieve Lessor from its obligations to Lessee hereunder.

15. FEDERAL INCOME TAXES

Lessor, as the owner of each Unit, shall be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (hereafter called the "Code"), to an owner of property, including without limitation (i) an allowance for an investment tax credit equal to ten percent (10%) of the reconditioning cost of each Unit, (ii) subject to the limitations of Section 48(c)(2) of the Code, an investment tax credit equal to ten percent (10%) of the cost of each Unit before reconditioning, and (iii) an allowance for depreciation based upon a useful life of eight years as computed under Section 167(b)(3) of the Code with respect to Lessor's cost of reconditioning and, with respect to Lessor's cost of the Unit prior to reconditioning, an annual depreciation deduction equal to 150% of the amount allowed under Section 167(b)(1) of the Code through the fourth year of service and a deduction determined under Section 167(b)(1) of the Code for years five through eight. Accordingly, Lessee represents and warrants that to the extent of the reconditioning cost of each Unit (i) the Units constitute "new Section

38 property" within the meaning of Section 48(b) of the Code and at the time such Units are accepted by Lessee, the Units have not been used by any person so as to preclude "the original use of such property" within the meaning of Section 48(b) and 167(c)(2) of the Code from commencing with the Lessor and (ii) at all times during the term of this Agreement, each Unit will constitute "Section 38 property" within the meaning of Section 48(a) of the Code. Lessor also warrants and represents that to the extent of the cost of each Unit before reconditioning such part of each Unit constitutes "used Section 38 property" within the meaning of Section 48(c)(1) of the Code.

If there shall be a disallowance, elimination, recomputation, reduction or disqualification (hereinafter called "Loss"), in whole or in part, of such investment tax credit, Lessee shall, within ten days after receipt of written request from Lessor pay to Lessor as additional rent an amount which, after deduction of federal and state income taxes, interest and penalties required to be paid by Lessor with respect to the receipt of such additional rent, is equal to such Loss of such investment tax credit.

If there shall be a Loss, in whole or in part, of the claimed depreciation deduction for any Unit as determined under the first paragraph of this Section 15, Lessee shall, after written request of Lessor pay to Lessor additional rent to compensate Lessor for the consequent lost cumulative deferral of income tax liability, which may exist thereafter from time to time, as determined by Lessor. Such additional rent shall be an amount which, after deduction of federal and state income taxes, interest and penalties required to be paid by Lessor with respect to the receipt of such additional rent will, in the reasonable opinion of Lessor, cause Lessor's net yield in respect of such Unit to equal the net yield that Lessor would have received if Lessor had not suffered a Loss with respect to the claimed depreciation deduction. Such additional rent shall be paid commencing with the first periodic rental payment due after Lessor notified Lessee of the required additional rent.

Notwithstanding the provisions of the two immediately preceding paragraphs of this Section 15, Lessee shall not be required to make any payment on account of any Loss due solely to (1) the failure of Lessor to have any federal income tax liability against which to apply such investment tax credit or the inability of Lessor or the affiliated group of which it is a member to utilize the investment tax credit as a result of the limitations imposed by Section 46(a)(2) of the Code and by Section 48(c)(2) of the Code, (2) the failure to properly claim such investment tax credit and depreciation in the tax returns filed by Lessor or the affiliated group of which it is a member, (3) the sale or disposition of any Unit or the Lease by Lessor prior to any default by Lessee, or (4) an event, the occurrence of which requires Lessee to pay to the Lessor the Stipulated Loss Value with respect to any Unit if, in fact, Lessee has paid such Stipulated Loss Value at the time a payment would otherwise be due Lessor under this Section 15.

In the event the Internal Revenue Service proposes an adjustment to investment tax credits or depreciation deductions claimed on United States corporation income tax return of Lessor or the affiliated group of which it is a member, which adjustment, if successful, could result in a Loss for which Lessee would be required to indemnify Lessor pursuant to this Section 15, Lessor hereby agrees to exercise in good faith its best efforts, determined by Lessor, its sole discretion to be reasonable, proper and consistent with the overall tax interests of Lessor and its affiliated companies and not requiring administrative or judicial proceedings beyond the level of an Internal Revenue Service examining agent, to avoid requiring Lessee to pay such indemnity, provided that Lessee shall have agreed to indemnify Lessor in a manner satisfactory to Lessor for any liability or Loss which Lessor may incur as a result of contesting such adjustment and shall have agreed to pay Lessor on demand all costs and expenses which Lessor may incur in connection with contesting such adjustment including without limitation (i) reasonable attorneys', accountants', engineers' and like professional fees and disbursements, and (ii) in the event that Lessor shall elect to contest the adjustment by paying the tax claimed and then seeking a refund thereof, an amount equal to 12% per annum interest on the amount of such tax computed from the date of payment of such tax to the date of final determination of such adjustment, such amount to be payable in equal installments within each calendar year on the dates on which rent for such period is payable. Upon receipt by Lessor of a refund of any federal income tax paid by it in respect of which Lessee has paid an amount equal to interest at the rate of 12% while such tax payment was contested by Lessor, any interest on such refund paid to the Lessor by the United States Government shall be paid to Lessee forthwith upon receipt by Lessor.

Lessee's agreement to pay any sums which may become payable pursuant to this Section 15 shall survive the expiration or other termination of the Lease.

16. QUIET POSSESSION

Lessor covenants that it is the lawful owner of the Units leased hereunder and that, conditioned upon Lessee's performing the covenants, conditions and agreements hereof, Lessee shall peaceably and quietly hold, possess and use such Units during the term of this Agreement and that Lessor or his assignee shall not do (nor suffer to be done by any person claiming through or against Lessor or his assignee with respect to matters not related to the transactions contemplated by this Agreement) any act which will interfere with the rights of Lessee peaceably and quietly to hold, possess and use such Units. In the event that Lessor shall default in the payment of either principal of or interest on any indebtedness secured by any mortgage or mortgages which constitute a first mortgage on any such Unit, Lessee shall have the right to pay the amount so in default, and the amount so paid by Lessee shall, at its option, be credited against rentals due or thereafter becoming due.

17. FURTHER ASSURANCES

Lessee will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out more effectively the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

18. MISCELLANEOUS

Nothing herein contained shall give or convey to Lessee any right, title or interest in and to any Unit leased hereunder except as a lessee. The obligations of Lessor and Lessee hereunder (other than (1) the payment of any installment of rent by Lessee or any other payment required hereunder by one party to the other, (2) the carrying of insurance by Lessee as provided for in this Agreement, and (3) the obligations of Lessee contained in Sections 7.2 and 9 hereof) shall be suspended to the extent that it is hindered or prevented from complying therewith because of labor disturbances (including strikes and lockouts), war, Acts of God, fires, storms, accidents, governmental regulations or interference or any cause whatever beyond its control. No obligation of Lessor hereunder shall survive the term of the lease of any Unit or sooner termination of this Agreement, and should Lessor permit the use of any Unit beyond the term specified therefor, the obligations of Lessee hereunder shall continue and such permissive use shall not be construed as a renewal of the term hereof nor as a waiver of any right or continuation of any obligation of Lessor hereunder, and Lessor may take possession of any such Unit at any time upon demand after thirty (30) days' notice. Any cancellation or termination by Lessor, pursuant to the provisions of this Agreement, any Schedule, supplement or amendment hereto or the lease of any Unit hereunder, shall not release Lessee from any then outstanding obligations to Lessor hereunder. This instrument, the Schedule and the Acceptance Supplement constitute the entire agreement between the parties and there are no warranties (in respect of the Units or otherwise) or restrictions, express or implied, or collateral or contemporaneous agreements that affect its import other than such as are contained herein. This Agreement, the Schedule and the Acceptance Supplement may be modified, amended or mutually rescinded only by a written instrument executed by each of the parties hereto. This Agreement shall be binding upon and shall inure to the benefits of the parties hereto and their respective successors and assigns, subject to Section 7.1 hereof. Time is of the essence of this Agreement. This Agreement shall be construed in accordance with the laws of the State of New York.

19. NOTICES

Any notices required or permitted under this Lease, or by law in respect of this Lease, shall be in writing and shall be deemed to have been duly given when personally delivered or when received if deposited in the mail, first class, postage prepaid, addressed to the party required to receive the same at the address set forth below such party's signature hereto, or to such other address as such party shall specify by like notice.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on the date first above written but as of the day of the commencement of the term of this Lease.

(Corporate Seal)

CASTLE CAPITAL CORPORATION

Lessor

By _____

Title _____

Address: 1345 Avenue of the Americas
New York, New York 10019

(Corporate Seal)

PENN-DIXIE INDUSTRIES, INC.

Lessee

Attest:

By _____

Address: 1345 Avenue of the Americas
New York, New York 10019
Attn: Vice President-Finance

ACCEPTANCE SUPPLEMENT

Dated this 15th day of June, 1976

To Lease Between Castle Capital Corporation
and Penn-Dixie Industries, Inc.

This Acceptance Supplement is executed pursuant to the Equipment Lease Agreement dated June 15, 1976 between Castle Capital Corporation and Penn-Dixie Industries, Inc.

The terms used herein shall have the meaning given to such terms in such Agreement.

Lessor and Lessee do hereby confirm that the Units described in the Schedule have been delivered as of the above date and that the Lease with respect to such Units shall commence as of such date.

Lessee confirms that such Units have been examined by duly appointed and authorized representatives of Lessee and such examination shows that there is affixed to each Unit a metal tag bearing the following legend:

CASTLE CAPITAL CORPORATION
OWNER AND LESSOR

Lessee confirms that on the aforesaid date of delivery (i) such Units were duly accepted by Lessee as the Units for leasing under such Agreement, (ii) such Units became subject to and governed by the terms of such Agreement and Schedule and (iii) Lessee became obligated to pay to Lessor the rentals provided for in such Agreement and Schedule with respect to such Units.

APPROVED AND AGREED TO this 15th day of June, 1976 as a schedule to and a part of the Equipment Lease Agreement dated as of June 15, 1976.

PENN-DIXIE INDUSTRIES, INC.
Lessee

CASTLE CAPITAL CORPORATION
Lessor

By _____
Title:

By _____
Title:

By _____
Title:

By _____
Title:

ACCEPTANCE SUPPLEMENT SCHEDULE

One Hundred Twenty (120)
Empty 70 Ton Steel Gondola Cars.
Numbered:

7571	7519	7555	7489	7575	7514	7697	7758
7798	7726	7635	7806	7752	7705	7772	7757
7797	7698	7824	7803	7593	7531	7802	7642
7595	7795	7719	7720	7526	7756	7508	7577
7504	7815	7842	7814	7620	7769	7550	7733
7662	7476	7630	7713	7721	7670	7513	7534
7628	7738	7641	7684	7659	7452	7491	7693
7639	7479	7667	7745	7498	7771	7789	7566
7709	7634	7604	7735	7746	7509	7687	7651
7500	7468	7677	7658	7588	7656	7542	7495
7843	7813	7714	7737	7615	7584	7807	7606
7691	7525	7456	7761	7823	7629	7559	7488
7632	7663	7493	7580	7775	7512	7848	7800
7831	7774	7602	7718	7780	7835	7825	7736
7827	7808	7834	7457	7497	7614	7540	7668



CASTLE CAPITAL CORPORATION

1345 Avenue of the Americas
New York, New York 10019

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT: 120 reconditioned 70-ton steel railroad gondola cars reconditioned by Midwest Freight Car Co., Clinton, Illinois. Total cost of all cars: \$ 734,342.01. \$ 5,435.56 per car represents value prior to reconditioning and \$ 683.96 represents the average value added per car by reconditioning.
2. LOCATION OF EQUIPMENT: West Des Moines, Iowa (on track of Rock Island to and from plant of Penn-Dixie Industries, Inc., Cement Division.
3. TERM: five (5) years commencing on June 15, ____, 1976.
4. RENT: A. Total Rent \$ 1,095,000.00
 B. Payable monthly in arrears commencing upon July 15, 1976 at the rate of \$ 18,250 each.
5. STIPULATED LOSS VALUES. Amount to be paid pursuant to Section 10 of the Equipment Lease Agreement for leased equipment lost, stolen, destroyed or damaged beyond repair during each year of the term. See Attachment A.
6. IDENTIFICATION OF EQUIPMENT: As described in Acceptance Supplement.

APPROVED AND AGREED TO as of this 15th day of June 15, 1976, as schedule to and a part of the Equipment Lease Agreement dated as of the 15th day of June, 1976.

PENN-DIXIE INDUSTRIES, INC.
Lessee

CASTLE CAPITAL CORPORATION
Lessor

By _____
Title:

By _____
Title:

By _____
Title:

By _____
Title:

CASTLE CAPITAL CORPORATION

ATTACHMENT A

"STIPULATED LOSS AND TERMINATION VALUES" OF ANY UNIT OF THE EQUIPMENT AS OF ANY PARTICULAR DATE SHALL MEAN THE PRODUCT DERIVED FROM MULTIPLYING (1) THE PERCENTAGE FIGURE OPPOSITE THE NOTATION FOR THE APPROPRIATE TIME PERIOD AS SET FORTH IN THE TABLE BELOW BY (2) THE PURCHASE PRICE (\$6,119.52) OF EACH UNIT.

STIPULATED LOSS AND TERMINATION VALUES TABLE

Prior to Payment 1		100 %
From Payment 2 and including Payment 6		107.6
7	12	97.6
13	18	90.7
19	24	83.7
25	30	74.7
31	36	65.7
37	42	54.7
43	48	43.7
49	54	30.6
55	60	17.5

ASSIGNMENT OF RENTS

CASTLE CAPITAL CORPORATION
to
PENN-DIXIE INDUSTRIES, INC.

Dated: June 15, 1976