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RECORDATION NO. 20403 FILED 425
DEC 16 1996 2:40 PM

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RECEIVED
SURFACE TRANSPORTATION
BOARD

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December 16, 1996

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of each of the four documents described below, to be recorded pursuant to 49 U.S.C. § 11301.

I. The first document is a Railcar Lease Agreement, a primary document, dated June 20, 1996. We request that the certified copy of this document be recorded under the next available recordation number.

The names and addresses of the parties to the Railcar Lease Agreement are:

Lessor:

Railroad Technology Corporation
447 Battery Street
San Francisco, CA 94111

Lessee:

Consolidated Rail Corporation
2001 Market Street, Room 25A
Philadelphia, PA 19101

A description of the equipment covered by the Railcar Lease Agreement consists of 11 53' articulated five platform TOFC spine cars numbered CR 790079-790089, inclusive.

II. The second document is Amendment No. 1 to the Railcar Lease Agreement, a secondary document, dated October 18, 1996. We request that the certified copy of this document be recorded under the **A** suffix of the recordation number assigned to the Railcar Lease Agreement.

The names and addresses of the parties to Amendment No. 1 to the Railcar Lease Agreement are:

Lessor:

Railroad Technology Corporation
447 Battery Street
San Francisco, CA 94111

Lessee:

Consolidated Rail Corporation
2001 Market Street, Room 25A
Philadelphia, PA 19101

A description of the equipment covered by Amendment No. 1 to the Railcar Lease Agreement consists of 11 53' articulated five platform TOFC spine cars numbered CR 790079-790089, inclusive.

III. The third document is a Master Assignment and Assumption Agreement, a secondary document, dated as of November 26, 1996. We request that the certified copy of this document be recorded under the **B** suffix of the recordation number assigned to the Railcar Lease Agreement.

The names and addresses of the parties to the Master Assignment and Assumption Agreement are:

Assignor:

Railroad Technology Corporation
447 Battery Street
San Francisco, CA 94111

Assignee:

American Finance Group, Inc.
24 School Street
Boston, MA 02108

A description of the equipment covered by the Master Assignment and Assumption Agreement consists of 11 53' articulated five platform TOFC spine cars numbered CR 790079-790089, inclusive.

IV. The fourth document is a Memorandum of Acceptance Certificates, a secondary document, dated as of December 12, 1996. We request that the certified copy of this document be recorded under the **C** suffix of the recordation number assigned to the Railcar Lease Agreement.

The name and address of the party to the Memorandum of Acceptance Certificates is:

Assignee:

American Finance Group, Inc.
24 School Street
Boston, MA 02108

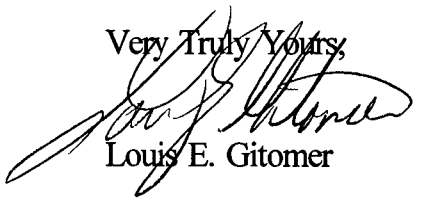
A description of the equipment covered by the Memorandum of Acceptance Certificates consists of nine 53' articulated five platform TOFC spine cars numbered CR 790079-790087, inclusive.

A fee of $88.00 is enclosed. Please return the originals to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the documents to appear in the index follows: (1) Railcar Lease Agreement between Railroad Technology Corporation, 447 Battery Street, San Francisco, CA 94111, and Consolidated Rail Corporation, 2001 Market Street, Room 25A, Philadelphia, PA 19101, covering 11 53' articulated five platform TOFC spine cars numbered CR 790079-790089, inclusive; (2) Amendment No. 1 to the Railcar Lease Agreement between Railroad Technology Corporation, 447 Battery Street, San Francisco, CA 94111, and Consolidated Rail Corporation, 2001 Market Street, Room 25A, Philadelphia, PA 19101, covering 11 53' articulated five platform TOFC spine cars numbered CR 790079-790089, inclusive; (3) Master Assignment and Assumption Agreement between Railroad Technology Corporation, 447 Battery Street, San Francisco, CA 94111, and American Finance Group, Inc., 24 School Street, Boston, MA 02108, covering 11 53' articulated five platform TOFC spine cars numbered CR 790079-790089, inclusive; and (4) Memorandum of Acceptance Certificates by American Finance Group, Inc., 24 School Street, Boston, MA 02108, covering nine 53' articulated five platform TOFC spine cars numbered CR 790079-790087, inclusive.

Very Truly Yours,



Louis E. Gitomer

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

12/16/96

Louis E. Gitomer
Of Counsel
Ball Janik LLP
1455 F Street, NW., Ste.225
Washington, DC., 20005

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 12/16/96 at 2:40PM , and assigned recordation number(s). 20403,20403-A,20403-B and 20403-C

Sincerely yours,

Vernon A. Williams

Vernon A. Williams
Secretary

Enclosure(s)

$ 88.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature Janice M. Fort

ORIGINAL

20403

DEC 1996

RAILCAR LEASE AGREEMENT

BETWEEN

RAILROAD TECHNOLOGY CORPORATION

AND

CONSOLIDATED RAIL CORPORATION

DATED: June 20, 1996

TABLE OF CONTENTS

		Page
1.	Lease	1
2.	Definitions	1
3.	Term	4
4.	Rent; Unconditional Obligations	4
5.	Disclaimer; Assignment of Warranties	5
6.	Return; inspection; Storage; Renewal Option	6
7.	Representations and Warranties	8
8.	Liens	9
9.	Insurance	9
10	Taxes	9
11.	Compliance with Laws, Operation and Maintenance; Additions	10
12.	Inspection	11
13.	Identification	11
14.	Loss or Damages	11
15.	General Indemnity	12
16.	Events of Default	12
17.	Remedies	13
18.	Lessor's Right to Perform	15
19.	Assignment or Sublease	15
20.	Quiet Enjoyment Warranty of Lessor	16
21.	Further Assurances; Financial information; Reports	16
22.	Recording	17
23.	Notices	18
24.	Identification Marks	18
25.	Conditions Precedent	18
26.	Miscellaneous	20

Exhibits and Schedules

Exhibit A - Equipment
Exhibit B - Basic Rent, Basic Term Commencement Date, Basic Term, Stipulated Loss Values
Schedule 1 - Stipulated Loss Values
Exhibit C - Form of Acceptance Certificate
Schedule 1

RAILCAR LEASE AGREEMENT

This Railcar Lease Agreement, dated as of June 20, 1996 (this "Lease"), is entered into by and between Railroad Technology Corporation, a California corporation ("Lessor"), and Consolidated Rail Corporation, a Pennsylvania corporation ("Lessee").

1. Lease.

(a) Pursuant to the terms and conditions of this Lease, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, those units of railroad rolling stock which are described on Exhibit A, together with all attachments, additions, accessories, appliances, replacement parts, substitutions and repairs attached thereto, incorporated therein or placed or placeable thereon (referred to herein collectively as the "Equipment" or individually as a "Unit"). Lessee shall execute an Acceptance Certificate in the form attached hereto as Exhibit C for each Unit or group of Units delivered to Lessee as provided herein. Lessee's execution and delivery to Lessor of an Acceptance Certificate with respect to any Unit shall constitute Lessee's irrevocable acceptance of such Unit for all purposes of this Lease. Receipt of an Acceptance Certificate shall be a condition to any obligation of Lessor to acquire and lease to Lessee any Unit. Lessor shall have no obligation to acquire or lease any Equipment other than those described on Exhibit A, and Lessor shall have no obligation to acquire or lease any Equipment after January 31, 1997.

(b) Lessee shall be responsible for arranging transportation and all costs of delivery of each Unit to Lessee, and Lessor shall have no responsibility or obligation whatsoever with respect to such arrangement.

2. Definitions.

(a) As used in this Lease, the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"AAR" shall mean the Association of American Railroads or any successor organization or agency having similar responsibilities.

"After Tax Basis" shall mean after deduction of all taxes required to be paid by the payee in respect of the receipt of any payment under the laws of any federal, state or local government or taxing authority of the United States or of any taxing authority or government subsidiary of any foreign country, calculated at the highest marginal statutory rates in effect for the taxable year of receipt.

"Basic Rent" shall be the amount of monthly rent per Unit provided in Exhibit B.

"Basic Term" as defined in Section 3 hereof.

"Basic Term Commencement Date" as defined in Section 3 hereof.

"Business Day" shall mean a day other than a Saturday, Sunday or legal holiday under the laws of the State of New York.

"Default" shall mean any event or condition which after the giving of notice or lapse of time or both would become an Event of Default.

"Equipment" as defined in Subsection 1(a) hereof.

"Event of Default" as defined in Section 16 hereof.

"Event of Loss" with respect to any Unit means any of the following events: (i) a Unit shall be or become lost, stolen, destroyed or irreparably damaged (as provided under Rule 107 of the AAR Interchange Rules), from any cause whatsoever during the Term hereof or until the Unit is returned pursuant to this Lease, or during any storage period, or (ii) title to the Unit shall be taken by any governmental entity by condemnation or otherwise, or (iii) use of the Unit shall be taken or requisitioned (a) by condemnation or otherwise resulting in loss of possession by Lessee for a period of two years or (b) by any governmental entity for a period which equals or exceeds or is expected to equal or exceed the shorter of (I) the then remaining term of this Lease or (II) a period of two years.

"Fair Market Rental Value" shall mean the value which would be obtained in an arm's length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to buy, sell or lease and on the assumption that the Units are in the condition required by this Lease and are free and clear of all liens, for the lease of the Units pursuant to a lease similar to the terms and conditions of this Lease. The Fair Market Rental Value shall be determined by mutual agreement of the parties (a) without deduction for any costs or expenses of transportation; and (b) on the assumption that the Units are free and clear of all liens and in the condition and repair in which they are required to be returned pursuant to Subsection 6(a) hereof.

"FRA" shall mean the Federal Railroad Administration.

"ICC" shall mean Interstate Commerce Commission or any successor agency having similar jurisdiction or responsibilities.

"Indemnitee" as defined in Section 15 hereof.

"Interim Rent" shall mean, with respect to any Unit, all rent payable by Lessee to lessor on the Basic Term Commencement Date relating to the Interim Term pursuant to Section 4(b) of this Lease.

"Interim Term" as defined in Section 3 hereof.

"Late Charge Rate" shall mean an interest rate per annum equal to the higher of four percent (4%) over the Prime Rate or eighteen percent (18%), but not to exceed the highest rate permitted by applicable law.

"Lease" and the terms "hereof," "herein," "hereto" and "hereunder," when used in this Lease, shall mean and include this Railcar Lease Agreement and each Acceptance Certificate and amendment hereto, as the same may from time to time be amended, modified or supplemented.

"Lease Term" or "Term" shall mean, with respect to any Unit, the term of the lease of such Unit hereunder specified in Section 3 hereof, including any Interim Term and the Basic Term.

"Lessee" as defined in the introductory paragraph to this Lease.

"Lessor" as defined in the introductory paragraph to this Lease.

"Lessor's Lien" shall mean any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, title retention or any other right or claim of any person claiming through or under Lessor.

"Lien" shall mean any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, title retention or any other right or claim of any person, other than any Lessor's Lien.

"Loss Payment Date" shall mean, with respect to any Unit, the date on which payment, as described in Subsection 14(b) hereof, is made to Lessor by Lessee as the result of an Event of Loss with respect to such Unit. The Loss Payment Date shall be upon the next Rent Payment Date that is at least thirty (30) days after the said Event of Loss.

"Prime Rate" shall mean the rate publicly announced from time to time as the prime rate of Chemical Bank ("Chemical"); the Prime Rate shall be determined by Lessor at the close of business on the 15th day of each calendar month (if the 15th day is not a Business Day, then on the first preceding Business Day) and shall become effective as of the first day of the calendar month succeeding such determination

and shall continue in effect to, and including, the last day of said calendar month. The Prime Rate is not intended to be the lowest rate of interest charged by Chemical in connection with extensions of credit to debtors.

"Rent Payment Date" shall mean each date on which an installment of rent is due and payable pursuant to Section 4 hereof.

"Stipulated Loss Value" shall mean, with respect to any Unit, the amount set forth on Schedule 1 to Exhibit B opposite the applicable Rent Payment Date (provided, that for purposes of Subsections 14(b), 17(c) and 17(d) hereof, any determination of Stipulated Loss Value as of a date occurring after the final Rent Payment Date with respect to such Unit shall be as of such final Rent Payment Date).

(b) All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

3. Term. The interim term of the lease of each Unit hereunder (the "Interim Term") shall mean the period commencing on the date on which such Unit is delivered to and/or accepted by Lessee (the "Interim Term Commencement Date"), which, for such Unit, shall be reflected on the Acceptance Certificate applicable thereto, and continuing to, but excluding, the Basic Term Commencement Date specified on Exhibit B (the "Basic Term Commencement Date"), unless earlier terminated pursuant to the provisions hereof. The basic term of the lease of each Unit hereunder shall mean the period specified in Exhibit B (the "Basic Term"), unless earlier terminated pursuant to the provisions hereof.

4. Rent; Unconditional Obligations.

(a) Payments of rent with respect to the Equipment leased hereunder shall be payable to Lessor at such address as Lessor may designate.

(b) Lessee shall pay to Lessor for each Unit leased hereunder, as Interim Rent, in one installment on the Basic Term Commencement Date, an amount equal to the monthly Basic Rent provided in the Exhibit B, divided by 30, multiplied by the number of days in the Interim Term.

(c) Lessee shall pay to Lessor rent for each Unit leased hereunder, as Basic Rent, in consecutive monthly installments payable in advance, with the first installment of rent with respect to such Unit of Equipment being due on the Basic Term Commencement Date, and succeeding installments being due on the first day of each calendar month thereafter.

(d) Lessee shall also pay to Lessor, on demand, interest at the Late Charge Rate on any installment of rent and

on any other amount owing hereunder which is not paid when due, for any period for which the same shall be overdue. Each payment made under this lease shall be applied first to the payment of interest then owing and then to rent or other amounts owing hereunder. Interest shall be computed on the basis of a 360-day year and actual days elapsed.

(e) This Lease is a net lease, and, except for breach of Lessor's warranty of quiet enjoyment contained in this Lease, Lessee's obligation to pay all rent and all other amounts payable hereunder is ABSOLUTE AND UNCONDITIONAL under any and all circumstances and shall not be affected by any circumstances of any character whatsoever, including, without limitation, (i) any setoff, counterclaim, recoupment, defense, abatement or reduction or any right which Lessee may have against Lessor, the rebuilder or supplier of any of the Equipment or anyone else for any reason whatsoever; (ii) any defect in the condition, design or operation of or lack of fitness for use of, or any damage to, or loss of, all or any part of the Equipment from any cause whatsoever; (iii) the existence of any Lien or Lessor's Lien with respect to the Equipment; (iv) any withholding or other taxes; or (v) the prohibition of or interference with the use or possession by Lessee of all or any part of the Equipment, for any reason by reason of (1) claims for patent, trademark or copyright infringement, (2) present or future governmental or non-governmental laws, rules, regulations or orders, (3) the insolvency, bankruptcy or reorganization of any person, and (4) any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. Except as otherwise expressly provided herein, if for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, Lessee shall thereupon pay the Stipulated Loss Value as set forth in Section 14 hereof with respect to the Unit or Units of Equipment with respect to which the Lease shall be terminated, and the Lease and obligation to pay rent shall thereupon deemed to be terminated.

5. Disclaimer; Assignment of Warranties.

(a) LESSOR NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION AS TO THE DESIGN, QUALITY OR CONDITION OF THE EQUIPMENT OR ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR AS TO ANY PATENT, TRADEMARK OR COPYRIGHT OWNERSHIP OR INFRINGEMENT OR AS TO ANY OTHER MATTER RELATING TO THE EQUIPMENT OR ANY PART THEREOF.

LESSEE CONFIRMS THAT IT HAS SELECTED THE EQUIPMENT AND EACH PART THEREOF ON THE BASIS OF ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS RELIANCE UPON ANY STATEMENTS, REPRESENTATIONS OR WARRANTIES MADE BY LESSOR, AND LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MERCHANT WITH RESPECT TO THE EQUIPMENT AND IS NOT A

MANUFACTURER OR REBUILDER OF ANY PART OF THE EQUIPMENT.

(b) Lessor hereby assigns to Lessee such rights as Lessor may have (to the extent Lessor may validly assign such rights) under all rebuilders' and suppliers' warranties with respect to the Equipment; provided, however, that the foregoing rights shall automatically revert to Lessor upon the occurrence and during the continuance of any Event of Default hereunder so long as such Event of Default shall remain uncured in accordance with the terms of this Lease, or upon the return of the Equipment to Lessor. Lessee agrees to settle all claims with respect to the Equipment directly with the rebuilders or suppliers thereof, and to give Lessor prompt notice of any such settlement and the details of such settlement.

6. Return; Inspection; Storage; Renewal Option;.

(a) Return. Lessee shall, upon the expiration of the Basic Term or any earlier termination hereof, return the Equipment to Lessor to such location on Lessee's lines or point of interchange as Lessor directs. Until each Unit is returned to Lessor pursuant to the provisions of this Section, all the provisions of this Lease shall continue in full force and effect except that, after such expiration or termination, rent shall accrue at 150% of the rate effective prior to such expiration or termination. Lessee shall pay all the costs and expenses in connection with or incidental to the return of the Equipment to its destination as set forth herein. At the time of such return, the Equipment shall be (i) in the same condition as when received by Lessee, ordinary wear and tear excepted, (ii) in the condition and repair required to be maintained by Section 11 hereof, (iii) in a condition such that after a change of user and running marks it will be in compliance with all rules of the AAR and FRA and immediately acceptable for controlled interchange under Chapter XII of M-1001 in the United States and Canada, (iv) free of all accumulations or residues, (v) immediately suitable for loading, transporting and unloading the trailers for which it was designed, and (vi) free and clear of all Liens.

(b) Joint Inspection. Prior to or as soon after the expiration of the Basic Term as practicable, Lessee shall assemble the Equipment in not more than two locations for joint inspection(s) of the Equipment. Such joint inspection(s) shall be conducted in accordance with such applicable rules, regulations and practices as shall exist at the time(s) of such inspection(s). Lessee shall promptly pay Lessor any and all amounts due in accordance with such joint inspection(s).

(c) Storage. On or before the later to occur of the expiration of the Basic Term with respect to any Unit or the completion of the joint inspection of such Unit, unless Lessor shall have directed that any such Unit be returned pursuant to subsection (a) of this Section, Lessee shall cause such Unit to be moved, at its own expense and risk, onto storage facilities

owned or controlled by Lessee. Lessee will inform Lessor of the location(s) it intends to store such Units at least thirty (30) days prior to moving such Units to storage. Lessee shall provide for storage of each Unit, at no cost to Lessor for a period of one hundred twenty (120) days after the later of (i) the end of the Basic Term, or (ii) the completion of the joint inspection of each such Unit. During such period of storage, Lessee will pay for one movement of each Unit to such destination upon the lines of Lessee or to a point of interchange on Lessee's lines as designated by Lessor. The assembling, delivery, storage and transporting of the Equipment as herein provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to cause the assembling, delivery, storage and transporting of the Equipment. If any Unit suffers an Event of Loss during any storage period provided for in this subsection unless such loss shall result from Lessor's negligence, Lessee shall pay to Lessor the Stipulated Loss Value of such Unit as determined in accordance with this Lease. Nothing contemplated by this section, including payment of rent or holdover rent, shall be deemed to relieve Lessee from its obligations to Lessor to deliver and store the Units or affect Lessor's rights and remedies with respect to such obligation. At the expiration of the storage period for any Unit for which Lessor has not requested it be moved as set forth above, Lessor shall commence paying storage to Lessee at Lessee's standard and prevailing rate, and Lessor shall thereupon bear all risk of Loss with respect to such Unit.

(d) Renewal Option. Provided that this Lease has not been earlier terminated and that no Default or Event of Default shall have occurred and be continuing hereunder at the time of election and renewal, as provided herein, Lessee may, by written notice delivered to Lessor (which notice shall become irrevocable after 180 days before the end of the Basic Term) not less than 180 days prior to the end of the Basic Term in respect of all but not less than all of the Equipment, elect to renew this Lease for an additional term to be determined by mutual agreement of Lessee and Lessor during the period between the time Lessee provides notice of its desire to renew the Lease and the date which is 120 days before termination of the Basic Term (the "Renewal Negotiation Period"). The amount of rentals applicable to such additional term, if any (the "Renewal Term"), shall be an amount equal to the Fair Market Rental Value as of the end of the Basic Term payable in monthly installments in advance, in the same manner as during the Basic Term. During the Renewal Term, in the event of an Event of Loss of any Unit, the Stipulated Loss Value payable in respect of such Unit shall be (i) the Stipulated Loss Value agreed to by the parties during the Renewal Negotiation Period, or (2) failing such agreement, the Stipulated Loss Value in effect for the last Rental Payment Date during the Basic Term. Other terms applicable to the Renewal Term shall be agreed upon by

Lessee and Lessor during the Renewal Negotiation Period. Lessor and Lessee will execute an extension agreement at the commencement of the Renewal Term, if any, which will be filed with the ICC if requested by Lessor. In the event Lessor and Lessee shall fail to reach agreement on the Fair Market Rental Value or the Renewal Term or any other terms of the extension of the Lease during the Renewal Negotiation Period, then Lessor and Lessee shall agree upon an arbitration method to determine such factors or terms. Notwithstanding the foregoing, all obligations of the parties to each other under this Lease shall remain in full force and effect until satisfied as provided herein.

7. Representations and Warranties. In order to induce Lessor to enter into this Lease and to lease the Equipment to Lessee hereunder, Lessee represents, warrants and covenants that:

(a) Organization. Lessee is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

(b) Power and Authority. Lessee has full power, authority and legal right to execute, deliver and perform this Lease, and the execution, delivery and performance hereof has been duly authorized by all necessary corporate action of Lessee.

(c) Enforceability. This Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms.

(d) Consents and Permits. The execution, delivery and performance of this Lease do not require any stockholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of Lessee, and will not contravene any law, regulation, judgment or decree applicable to Lessee, or the certificate of incorporation or bylaws of Lessee, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien upon any property of Lessee under any mortgage, instrument or other agreement to which Lessee is a party or by which Lessee or its assets may be bound or affected; and no authorization, approval, license, filing or registration with any court or governmental agency or instrumentality is necessary in connection with the execution, delivery, performance, validity and enforceability of this Lease.

(e) No Defaults. Lessee is not in default, and no event or condition exists which, after the giving of notice or lapse of time or both, would constitute an event of default, under any mortgage, indenture, contract, agreement, judgment or other undertaking to which Lessee is a party or which purports to be binding upon Lessee or upon any of the assets of Lessee,

except for any such default, event or condition which, individually or in the aggregate, would not affect Lessee's ability to perform its obligations under this Lease or any such mortgage, indenture, contract, agreement, judgment or other undertaking.

(f) No Litigation. There is no action, suit, investigation or proceeding by or before any court, arbitrator, administrative agency or other governmental authority pending or threatened against or affecting Lessee (i) which involves the Equipment or the transactions contemplated by this Lease; or (ii) which, if adversely determined, could have a material adverse effect on the financial condition, business or operations of Lessee.

(g) Financial Condition. The financial statements of Lessee heretofore furnished to Lessor are complete and correct and fairly present the financial condition of Lessee and the results of its operations for the respective periods covered thereby; there are no known contingent liabilities or liabilities for taxes of Lessee which are not reflected in said financial statements; and since the date thereof, there has been no material adverse change in such financial condition or operations.

(h) Chief Executive Office. Lessee's chief executive office is located at 2001 Market Street, Philadelphia, Pennsylvania.

8. Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Equipment.

9. Insurance. Lessee agrees to include the Units in its regular program of insurance, but nothing in this Lease shall be deemed to require Lessee to change its insurance program or to take out separate insurance on the Units. Lessee will promptly notify Lessor of any material change in its insurance program.

10. Taxes. Lessee agrees to indemnify Lessor on an After Tax Basis, and hold Lessor harmless against and to assume responsibility for the timely payment of, and assume responsibility for filing of all reports due (in Lessee's name where legally permitted to do so; any reports that may not be filed in Lessee's name will be prepared by Lessee and sent to Lessor for filing, except that this indemnity shall not apply if Lessor is negligent in making any such filing) with respect to all taxes, levies, assessments, and other governmental charges or withholdings of any nature levied or assessed, together with interest and penalties imposed thereon, upon, with respect to, or in respect of the Units, or the use of the Units under the terms hereof, including but not limited to any ad valorem or property taxes, all license or registration fees, tariffs, switching, demurrage, and any sales or use taxes,

payable on account of the leasing or use of the Units by Lessee or any person or entity having authority from Lessee (exclusive, however, of any U.S. Federal, state, local or foreign tax on, based on, measured by, or with respect to or in lieu of net income of Lessor). Lessee will promptly forward to Lessor a copy of all reports filed or required to be filed pursuant to this Section 10.

11. Compliance with Laws; Operation and Maintenance; Additions.

(a) Lessee will use the Equipment in a careful and proper manner, will comply with and conform to all governmental laws, rules and regulations and industry association rules and regulations relating thereto, and will cause the Equipment to be operated in accordance with the rebuilder's or supplier's instructions or manuals. Without limitation to the generality of the foregoing, Lessee will (i) cause the Equipment to be used in compliance with all rules and recommendations of the AAR and FRA; (ii) will not permit any Unit to be loaded improperly or in excess of the load limit stenciled thereon; (iii) will not permit any hazardous waste or hazardous substance be loaded on any Unit, except in accordance with FRA and AAR regulations; and (iv) will not permit any Unit to be outside the continental United States at any time except for incidental use in Canada and Mexico.

(b) Lessee will, at its own expense, keep and maintain the Equipment in good repair, condition and working order and furnish all parts, replacements, mechanisms, devices and servicing required therefor so that the value, condition and operating efficiency thereof will at all times be maintained and preserved. Lessee will cause each Unit to be maintained in conformance with all rules and regulations of the AAR and FRA. All such repairs, parts, mechanisms, devices, replacements and modifications shall immediately, without further act, become the property of Lessor and part of the Equipment.

(c) Lessee, without the prior written consent of Lessor, will not make or authorize any improvement, change, addition or alteration to the Equipment (i) if such improvement, change, addition or alteration will impair the originally intended function or use of the Equipment or impair the value of the Equipment as it existed immediately prior to such improvement, change, addition or alternation; (ii) unless the parts installed are in compliance with all rules and recommendations of the AAR and FRA; or (iii) if any parts installed in or attached to or otherwise becoming a part of the Equipment as a result of any such improvement, change, addition or alteration shall not be readily removable without damage to the Equipment (unless such improvement is mandated by the AAR, FRA or other agency or organization having jurisdiction over the Equipment). All such parts shall be and remain free and clear of any Liens. Any such part attached to any Unit shall, without further act, become the property of Lessor and part of

the Equipment.

12. Inspection. Lessor or its authorized representatives may, upon reasonable notice to Lessee and at such reasonable time or times as will not interfere with the safe and efficient operation of Lessee's business, inspect the Equipment and the records of Lessee and Lessee's contractors and agents pertaining to the Equipment. Lessee will at all times requested by Lessor cooperate with and assist Lessor in locating and gaining access to the Equipment; provided, however, that Lessor shall indemnify Lessee for any damage or personal injury caused by the actions or negligence of Lessor or its authorized representatives during such inspection.

13. Identification. In the event requested by Lessor or any person financing this Lease, Lessee shall attach to and cause to be maintained on each Unit a notice satisfactory to Lessor or such person disclosing Lessor's or such person's ownership of or security interest in such Unit.

14. Loss or Damage.

(a) Except as provided in Section 12 hereof or after the expiration of the storage period set forth in Section 6(c), all risk of loss, theft, damage or destruction to the Equipment or any part or Unit thereof, however incurred or occasioned, shall be borne by Lessee and, unless such occurrence constitutes an Event of Loss pursuant to Subsection (b) of this Section 14, Lessee shall promptly give Lessor written notice thereof and shall promptly cause the affected part or parts of any Unit to be replaced or restored to the condition and repair required to be maintained by Section 11 hereof.

(b) If an Event of Loss with respect to any Unit shall occur, Lessee shall promptly give Lessor written notice thereof, and Lessee shall pay to Lessor on or before the next Loss Payment Date an amount equal to the sum of (i) the Stipulated Loss Value of such Unit computed as of the Rent Payment Date with respect to such Unit on or immediately following the date of the occurrence of such Event of Loss; and (ii) all rent and other amounts due and owing hereunder for such Unit on or prior to the Loss Payment Date. Upon payment of such amount to Lessor, the lease of such Unit hereunder shall terminate, and Lessor will transfer to Lessee Lessor's right, title and interest in and to such Unit, on an "as-is, where-is" basis, without recourse and without representation or warranty, express or implied, other than a representation and warranty that such Unit is free and clear of any Lessor's Liens.

(c) Any payments received at any time by or for the benefit of Lessor or Lessee from any insurer or railroad with respect to loss or damage to any Unit shall be applied as follows: (i) if such payments are received with respect to an Event of Loss they shall be paid to Lessor, but to the extent

received by Lessor, they shall reduce or discharge, as the case may be, Lessee's obligation to pay the amounts due to Lessor under Subsection 14(b) hereof with respect to such Event of Loss and any excess over the Stipulated Loss Value will be paid to Lessee; or (ii) if such payments are received with respect to any loss of or damage to the Equipment other than an Event of Loss, such payments shall, unless a Default or Event of Default shall have occurred and be continued, be paid over to Lessee to reimburse Lessee for its payment of the costs and expenses incurred by Lessee in replacing or restoring pursuant to Subsection 14(a) hereof the part or parts of the Equipment which suffered such loss or damage.

15. General Indemnity. Except as otherwise provided in this Lease, Lessee assumes liability for, and hereby agrees to indemnify, protect, and keep harmless Lessor and its employees, agents, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of any breach of this Lease by Lessee, or arising out of the possession, use, condition, operation, ownership, selection, delivery, leasing or return of the Units or any Unit, regardless of where, how and by whom operated other than those arising from the gross negligence or willful misconduct of Lessor. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any of the Units so as to incur or impose liability or obligation for or on behalf of Lessor. Lessor shall not be liable for any loss of or damage to any commodities loaded or shipped in the Units. Lessee agrees to assume responsibility for, to indemnify Lessor against, and to hold Lessor harmless from, any claim in respect of such loss or damage and to assume responsibility for any damage caused to any units by such commodities. Any payments made by Lessee under this Section 15 shall be made on an After Tax Basis.

16. Events of Default. The following events shall each constitute an event of default (herein called "Event of Default") under this Lease:

(b) Lessee shall fail to make any payment due hereunder within five (5) days after written notice of any such nonpayment shall have been made; or

(b) Lessee shall fail to perform or observe any other warranty, covenant, condition or agreement to be performed or observed by it with respect to this Lease and such failure shall continue unremedied for 30 days after the earlier of (a) the date on which Lessee obtains knowledge of such failure; or (b) the date on which notice thereof shall be given by Lessor

to Lessee; or

(c) any representation or warranty made by Lessee herein or in any document, certificate or financial or other statement now or hereafter furnished Lessor in connection with this Lease shall prove at any time to have been untrue or misleading in any material respect as of the time when made; or

(d) to the extent permitted by applicable law, the entry of a decree or order for relief by a court having jurisdiction in respect of Lessee adjudging Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking a reorganization, arrangement, adjustment or composition of or in respect of such entity in an involuntary proceeding or case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal, state or foreign bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of Lessee or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order undismissed, unstayed or unvacated and in effect for a period of 60 days after the date of entry; or

(e) the institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the commencement by such entity of a voluntary proceeding or case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal, state or foreign bankruptcy, insolvency or other similar law, or the consent by it to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Lessee or of any substantial part of its property, or the making by it of any assignment for the benefit of creditors or the admission by it in writing of its inability to pay its debts generally as they become due or its willingness to be adjudicated a bankrupt or the failure of Lessee generally to pay its debts as they become due or the taking of corporate action by Lessee in furtherance of any of the foregoing.

17. Remedies. If an Event of Default described in Subsection 16(d) or (e) above shall occur, then, and in any such event, this Lease shall automatically, without any notice or other action by Lessor, be deemed to be in default, and if any other Event of Default shall occur and be continuing, then, and in any such event, Lessor may, at its option, declare this Lease to be in default; and at any time after this Lease shall be deemed to be in default pursuant to this sentence or be declared to be in default, Lessor may do any one or more of the following with respect to all of the Equipment or any part thereof as Lessor in its sole discretion shall elect, to the extent permitted by applicable law then in effect:

(a) demand that Lessee, and Lessee shall at its expense upon such demand, return the Equipment promptly to Lessor at such place or places in the continental United States as Lessor shall specify;

(b) in a commercially reasonable manner, sell the Equipment or any Unit at public or private sale, with or without notice, advertisement or publication, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Equipment or any Unit as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto;

(c) by written notice to Lessee specifying a payment date, demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty, all accrued and unpaid rent for the Equipment due on all Rent Payment Dates up to and including the payment date specified in such notice plus an amount (together with interest on such amount at the Late Charge Rate, from the payment date specified in such notice to the date of actual payment) equal to the excess, if any, of the Stipulated Loss Value of the Equipment as of the payment date specified in such notice over the fair market sale value of the Equipment as of such date;

(d) by written notice to Lessee specifying a payment date, demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty, all accrued and unpaid rent for the Equipment due on all Rent Payment Dates up to and including the payment date specified in such notice, plus an amount (together with interest on such amount at the Late Charge Rate, from the payment date specified in such notice to the date of actual payment) equal to the Stipulated Loss Value for the Equipment computed as of the payment date specified in such notice; and upon such payment of liquidated damages and the payment of all other amounts then due hereunder, Lessor shall proceed to exercise its best efforts and in a commercially reasonable manner promptly to sell the Equipment in any quantity and shall pay over to Lessee the net proceeds of such sale (after deducting from such proceeds all costs and expenses whatsoever incurred by Lessor in connection therewith and all other accounts which may become payable by Lessor) up to the amount of the Stipulated Loss Value actually paid;

(e) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to terminate this Lease.

In addition, Lessee shall be liable for any and all unpaid rent and other amounts due hereunder before or during the exercise of any of the foregoing remedies and for all reasonable legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the placing of the Equipment in the condition required by Section 11 hereof.

NO REMEDY REFERRED TO IN THIS SECTION 17 IS INTENDED TO BE EXCLUSIVE BUT EACH SHALL BE CUMULATIVE AND IN ADDITION TO ANY OTHER REMEDY REFERRED TO HEREIN OR OTHERWISE AVAILABLE TO LESSOR AT LAW OR IN EQUITY; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies. No express or implied waiver by Lessor of an Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages or losses or which may otherwise limit or modify any of Lessor's rights or remedies under this Lease.

18. Lessor's Right to Perform. If Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its other agreements contained herein, Lessor may itself make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Late Charge Rate, shall be deemed to be additional rent, payable by Lessee on demand.

19. Assignment or Sublease.

(a) Except as expressly provided herein, LESSEE WILL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR, ASSIGN THIS LEASE OR ANY INTEREST HEREIN OR OTHERWISE TRANSFER ITS INTEREST IN ANY UNIT, AND ANY ATTEMPTED ASSIGNMENT OR OTHER TRANSFER BY LESSEE IN VIOLATION OF THIS PROVISION SHALL BE VOID, provided, however, Lessee may place the Equipment in unlimited interchange in accordance with industry custom as long as such Units remain subject to this Lease and Lessee remains the primary obligor hereunder.

(b) Lessee hereby acknowleges and agrees that Lessor may sell the Equipment and assign the Lease to American Finance Group, Inc. ("AFG") and that AFG may sell the Equipment and assign the Lease (i) to a trust or partnership of which AFG, or a subsidiary or affiliate of AFG, is a trustee or general partner, or (ii) to an investment fund if AFG, or an

Affiliate of AFG, is or is to be (a) the manager on behalf of the fund for the purposes of leasing, re-leasing or otherwise dealing with the Equipment or the Lease, or (b) the manager of the assets of the fund itself, in each case subject and subordinate to Lessee's rights hereunder, provided such sale and assignment shall not affect, or be deemed to affect, Lessee's rights under this Lease, in each such case without consent by Lessee. Lessor, AFG and any such trust, partnership or fund may also sell, transfer, grant or assign its rights in this Lease to any other person with the prior written consent of Lessee, which consent shall not be unreasonably withheld. Lessee agrees, in the event it is notified in writing of such a sale of the Equipment or assignment of this Lease: (i) to execute and deliver an acknowledgment letter reasonably acceptable to lessor or AFG and other documents necessary to perfect the assignee's interest in this Lease or the Equipment; and (ii) that, except as otherwise provided in this Lease, Lessee's obligations hereunder shall not be subject to any reduction, abatement, set-off, defense, counterclaim or recoupment for any reason. Any assignment or transfer by Lessor or AFG shall be on condition that, provided no Event of Default has occurred and is continuing hereunder, any assignee or any other party claims by or through Lessor or AFG shall not disturb Lessee's quiet use and possession of the Equipment.

20. Quiet Enjoyment Warranty of Lessor. Lessor warrants that during the term of this Lease, if no Event of Default has occurred and is continuing or so long as Lessee is not in material breach of any of its obligations under this Lease, Lessee's right of possession and use of the Equipment shall not be interrupted by Lessor or anyone claiming solely through or under Lessor.

21. Further Assurances; Financial Information; Reports.

(a) 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 more effectively carry out the intent and purpose of this Lease and to establish and protect the rights, interests and remedies created or intended to be created in favor of Lessor hereunder. To the extent reasonably required by any person financing this Lease, Lessee hereby authorizes Lessor to file any financing statements and memoranda with respect to the Equipment without the signature of Lessee, notice of which will be provided to Lessee within a reasonable period of time. Lessee will also provide such information as Lessor may reasonably require from Lessee to enable Lessor to fulfill all of its tax filing obligations.

(b) On or before March 1 of each year during the term of this Lease, Lessee will furnish to Lessor, Lessee's certificate, as of the preceding December 31, (i) showing the amount, description and numbers of Units then leased hereunder and the amount, description and numbers of all Units that may

have suffered an Event of Loss during the preceding twelve (12) months (or since the Basic Lease Commencement Date in the case of the first such Lessee's certificate), and such other information regarding the condition and state of repair of the Units as Lessor may reasonably request, (ii) stating that, in the case of all Units repaired or repainted during the period covered thereby, the markings specified in this Lease shall have been preserved or replaced if so requested, and (iii) containing all other information in the possession of Lessee that is required to be filed by Lessor with any division of the AAR, the ICC or the Department of Transportation, or, any other federal, state, administrative, legislative, judicial or governmental body having jurisdiction in the matter. Lessor shall have the right, but not the obligation, by its authorized representative upon proper notice to Lessee, and in such a manner as not to disrupt or interfere with the safe operation of Lessee's business to inspect the Units and the records of Lessee with respect thereto.

(c) Lessee will furnish or cause to be furnished to Lessor the following reports: (i) as soon as available, but in any event not later than 120 days after the end of the applicable fiscal year balance sheets as at the end of such fiscal year, and statements of income and statements of cash flow for such fiscal year for the Lessee, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by a nationally recognized firm of certified public accountants; (ii) as soon as available, but in any event not later than 90 days after the end of each quarterly period of each fiscal year balance sheets as at the end of such quarterly period and statements of income for such quarterly period and for the portion of the fiscal year then ended for the Lessee, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by the chief financial officer of Lessee; and (iii) promptly, such additional financial and other information of Lessee, as Lessor, at its own expense, may from time to time reasonably request.

22. Recording. Lessor may cause this Lease and all Supplements and amendments to this Lease to be filed with the ICC pursuant to 49 U.S.C. Section 11303 and with the Registrar General of Canada pursuant to the Railway Act of Canada. Lessor may further cause this Lease and/or appropriate financing statements to be filed and recorded in accordance with the applicable provisions of the Uniform Commercial Code as in effect in the Commonwealth of Pennsylvania (and, if Lessee changes its chief place of business, in any other state) in the same manner as if Lessor's interest in this Lease represented a security interest and in any other state of the United States of America or the District of Columbia where filing is necessary or requested by Lessor. Lessee in addition

will from time to time do and perform any act or execute, acknowledge and deliver to Lessor, at Lessor's expense, any and all further instruments required by law or any additional documents reasonably requested by Lessor for the purpose of proper protection, to its satisfaction, of its interest in the Equipment, of for the purpose of carrying out the intention of this Lease.

23. Notices. Any notice required or permitted to be given by either party hereto to the other shall be in writing, and any such notice shall become effective upon personal delivery thereof 24 hours following delivery to or deposit with a recognized overnight delivery service or three days after the date on which it shall have been deposited in the United States mail with return receipt requested, addressed as follows:

(i) if to Lessor, at

Railroad Technology Corporation
447 Battery Street
San Francisco, CA 94111
Attn: Executive Vice President

(ii) if to Lessee, at

Consolidated Rail Corporation
2001 Market Street, Room 25A
Philadelphia, PA 19101
Attn: Mr. Thomas J. McGraw

24. Identification Marks. If requested, Lessee will cause each unit to be kept marked and numbered with the identifying marks and numbers. No Unit will bear any running marks other than those registered in the name of Lessee or a person with whom Lessee has a contractual relationship permitting use of such marks by Lessee. Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such mark and number shall have been so marked on all sides thereof and will cause to be replaced promptly any such marks and numbers that may be removed or defaced. Lessee will not in any way permit the identifying mark or number of any Unit to be changed unless and until (i) a statement of new mark and/or number or numbers to be substituted therefor shall have been filed by Lessee in all public offices where this Lease shall have been filed and (ii) Lessee shall have furnished Lessor an opinion of counsel to the effect that such statement has been so filed, and no additional filing or giving of notice with or to any other federal, state, provincial or local government or agency thereof is necessary to protect the interests of Lessor in such Units. Lessee will not alter, deface, cover or remove such markings without the prior written consent of Lessor.

25. Conditions Precedent. Lessor shall not be obligated to lease any Equipment to Lessee, and Lessor shall not be

obligated to accept any Acceptance Certificate hereunder, unless:

(i) Lessor shall have received evidence satisfactory to it of authority of Lessee to execute, deliver and perform this Lease and all documents in connection herewith, including a copy of corporate resolutions certified by the Secretary or an Assistant Secretary of Lessee;

(ii) Lessor shall have received an incumbency and signature certificate of Lessee, dated the date of the Lease and in form and substance satisfactory to Lessor, setting forth the names and signatures of each officer of Lessee authorized to sign this Lease, the Acceptance Certificates and all other instruments and documents relating thereto, which certificate may be relied on by Lessor until it receives written notice to the contrary;

(iii) Lessor shall have received an appraisal report describing and appraising the applicable Units in form and substance satisfactory to Lessor;

(iv) Lessor shall have received good and marketable title to the applicable Units, free and clear of Liens and all such Units shall be satisfactory to Lessor in its sole discretion;

(v) Such Uniform Commercial Code financing statements and other documents with respect to the Units as Lessor shall deem necessary or desirable in order to perfect and protect its interests therein shall have been duly executed and delivered to Lessor for filing;

(vi) All representations and warranties of Lessee contained herein or in any document or certificate furnished Lessor in connection herewith shall be true and correct with the same force and effect as if made on such date; no Event of Default or Default shall be in existence;

(vii) In the sole judgment of Lessor, there shall have been no material adverse change in the business, financial condition or operations of Lessee;

(viii) Lessor shall have received from Lessee, in form and substance satisfactory to it, such other documents and information, including without limitation, any supplements to previously executed documents, as Lessor shall reasonably request;

(ix) All legal matters in connection with the transactions contemplated by this Lease shall be satisfactory to Lessor's counsel;

(x) Lessor shall have received an opinion of Lessee's counsel in form and substance satisfactory to Lessor and its counsel;

(xi) Lessor shall have acquired the Units described on the applicable Supplement on terms and conditions reasonably satisfactory to Lessor:

(xii) No change in law shall have occurred or, in Lessor's reasonable judgment shall appear imminent, which could adversely affect Lessor's economics of Lessor's current or potential rights with respect to the Units described on each Supplement;

(xiii) Lessor shall have received and approved, in its sole discretion, a fully executed original counterpart of (i) any agreement between Lessee and any person or entity that is to provide maintenance for the Units described on each Supplement, and (ii) any agreement between Lessee and any person or entity owning or controlling any railroad or non-railroad reporting marks that are to be placed on any of the Units which are not owned or controlled by Lessee; and

(xiv) Lessor shall have received one or more Acceptance Certificates, in form attached hereto as Exhibit C, covering all of the Units, executed by or on behalf of Lessee.

26. Miscellaneous.

(a) Miscellaneous. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(b) Amendment; Waiver. NO TERM OR PROVISION OF THIS LEASE MAY BE CHANGED, WAIVED, DISCHARGED OR TERMINATED ORALLY, BUT ONLY BY AN INSTRUMENT IN WRITING SIGNED BY THE PARTY AGAINST WHICH THE ENFORCEMENT OF THE CHANGE, WAIVER, DISCHARGE OR TERMINATION IS SOUGHT. No delay or failure on the part of Lessor or Lessee to exercise any power or right hereunder shall operate as a waiver hereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. After the occurrence of any Default or Event of Default, the acceptance by Lessor of any payment of rent or other amount owed pursuant hereto shall not constitute a waiver by Lessor of such Default or Event of Default, regardless of Lessor's knowledge or lack of knowledge thereof at the time of acceptance of any such payment, and shall not constitute a restatement of this Lease if this Lease shall have been declared in default by Lessor pursuant to Section 17 hereof or otherwise, unless Lessor shall have agreed in writing to reinstate this Lease and to waive the Default or

Event of Default.

(c) Fees and Expenses. Each party shall bear its own expenses in connection with the execution and delivery of this Lease.

(d) Entire Agreement. This Lease and the agreements referred to herein contain the full, final and exclusive statement of the agreement between Lessor and Lessee relating to the lease of the Equipment.

(e) Agreement of Lease. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as lessee only.

(f) Successors and Assigns. This Lease and the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, Lessor and its successors and assigns and Lessee and its successors and assigns.

(g) Captions. The headings of the sections are for convenience of reference only, and are not a part of this Lease and shall not be deemed to effect the meaning or construction of any of the provisions hereof.

(h) Execution in Counterparts. This Lease may be executed by the parties hereto on any number of separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(i) Governing Law. THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed as of the date first above written.

LESSOR:

RAILROAD TECHNOLOGY CORPORATION

By: Robert M. Nemes

Title: E.V.P. President

Date: 10/21/96

LESSEE:

CONSOLIDATED RAIL CORPORATION

By: Thomas J. McGlew

Title: Asst. Treasurer

Date: _____

ACKNOWLEDGMENTS

State of California)
) ss
County of San Francisco)

On this 21st day of October, 1996, before me Jacob Koff personally appeared Robert M. Ness, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~, to be the person whose name is subscribed to the within instrument, who being by me duly sworn, did say that he is the Executive Vice President of Railroad Technology Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, that he acknowledged that the execution of the foregoing Railcar Lease Agreement was the free act and deed of the corporation.

JACOB KOFF
Comm. # 994902
NOTARY PUBLIC - CALIFORNIA
City and County of San Francisco
My Comm. Expires May 13, 1997

Notary Public

My commission expires: May 13, 1997

Commonwealth of Pennsylvania)
) ss
County of Philadelphia)

On this 11th day of Nov, 1996, before me personally appeared Thomas J. McGraw, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, who being by me duly sworn, did say that he is a Asst. Treasurer of Consolidated Rail Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, that he acknowledged that the execution of the foregoing Railcar Lease Agreement was the free act and deed of the corporation.

Suzanne J. Rossomando
Notary Public

My commission expires:

NOTARIAL SEAL
Suzanne J Rossomando, Notary Public
City of Philadelphia, Phila County
My Commission Expires June 28, 1999

EXHIBIT A

TO

RAILCAR LEASE AGREEMENT

BETWEEN

RAILROAD TECHNOLOGY CORPORATION

AND

CONSOLIDATED RAIL CORPORATION

EQUIPMENT

AAR Mechanical Design: FCA

AAA Car Type Code: Q-153

53' Articulated Five (5) Platform TOFC (Trailer on Flat Car) Spine Cars with intermediate platforms, manufactured in 1983 by FMC Corporation and rebuilt in 1996 with new end platforms manufactured in 1996 by Consolidated Rail Corporation ("Conrail") at Holidaysburg, PA according to the specifications and standards of current Third Generation TTX Spine Cars, as set forth in the Railroad Technology Corporation ("Railtech") scope of work (Impack Conversion Project) dated June 17, 1995, as modified by Conrail's letter of May 30, 1996 to Railtech. Fifty-five (55) Platforms or eleven (11) Five Pack Cars (each such Car, a "Unit"). Each Platform can carry one intermodal trailer of 40', 45', 48' or 53' and 96" or 102" wide.

Rebuilt Cost Basis: $33,000 per Platform or

$165,000 per Unit

Total Equipment Cost of 11 Units: $1,815,000

EXHIBIT B

TO

RAILCAR LEASE AGREEMENT

BETWEEN

RAILROAD TECHNOLOGY CORPORATION

AND

CONSOLIDATED RAIL CORPORATION

Basic Rent:	$1,368.75 per Unit per month in advance
Basic Term Commencement Date:	The first day of the month immediately following the delivery and acceptance of the last Unit
Basic Term:	The five-year period commencing on and including the Basic Lease Commencement Date and ending on and including the last day of the sixtieth (60th) month following such day
Stipulated Loss Values	As set forth on Schedule 1 attached hereto

SCHEDULE 1 to EXHIBIT B

Stipulated Loss Values

Rent Payment Date(s)	Stipulated Loss Value
1 - 12	$165,000 per Unit
13 - 24	$150,000 per Unit
25 - 36	$144,600 per Unit
37 - 48	$139,394 per Unit
49 - 60	$134,376 per Unit

EXHIBIT C

TO

RAILCAR LEASE AGREEMENT

BETWEEN

RAILROAD TECHNOLOGY CORPORATION

AND

CONSOLIDATED RAIL CORPORATION

ACCEPTANCE CERTIFICATE

Interim Term Commencement Date: _____, 199__

Basic Term Commencement Date: The first day of the month following acceptance of the 11th Unit

THIS ACCEPTANCE CERTIFICATE is delivered to RAILROAD TECHNOLOGY CORPORATION ("Lessor") by CONSOLIDATED RAIL CORPORATION ("Lessee") pursuant to and in accordance with the Railcar Lease Agreement dated as of June 20, 1996 between Lessor and Lessee (the "Lease," the defined terms therein being used herein with their defined meanings).

1. The Units covered by this Certificate are described in Schedule 1, and each Unit was plainly marked with the marks and numbers indicated on Schedule 1, as required by the Lease.

2. Lessee confirms that:

(a) The Units covered hereby have been delivered to Lessee at Hollidaysburg, Pennsylvania.

(b) The Units covered hereby have been inspected by Lessee, have been delivered in good working order and condition, and are of the size, design, capacity and rebuilding selected by Lessee and conform to the specifications applicable thereto and to all applicable FRA requirements and specifications and to all standards recommended by the AAR reasonably interpreted as being applicable to modified railroad equipment of the character of the Units.

(c) If requested by Lessor, there was plainly, distinctly, permanently and conspicuously placed in letters not less than one inch in height on each side of each Unit:

SUBJECT TO LEASE OR SECURITY INTEREST FILED WITH U.S. INTERSTATE COMMERCE COMMISSION.

SCHEDULE 1 TO ACCEPTANCE CERTIFICATE

Units:

_____ Unit(s), each Unit consisting of five platforms, each Unit bearing mark CR_____, CR_____, CR_____ CR_____, CR_____, respectively, affixed to each platform

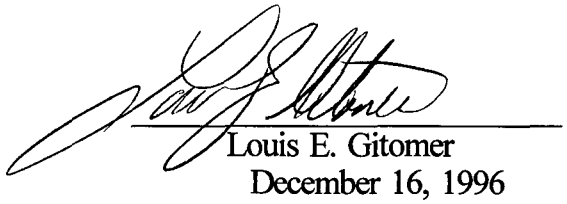
AAR Mechanical Design: FCA

AAR Car Type Code: Q-153

BALL JANIK LLP

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Railcar Lease Agreement, dated June 20, 1996, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



Louis E. Gitomer
December 16, 1996