

WORK SHEET AND **TRUCK, ETC. FIRM DELIVERY AGREEMENT** JUL 21 1975-9 25 AM

INTERSTATE COMMERCE COMMISSION

UNIT NUMBER **SPC-0005X** Re LESSEE: **Federal Paper Board Co., Inc.**
Montvale, New Jersey

DATE **7/30/75**

TO **Michael Barra** TRUSTEE

The undersigned hereby agrees to transfer title to a unit as specified below to **Michael Barra** TRUSTEE in exchange for a TRUSTEE'S CERTIFICATE in the amount of the RENTAL ADJUSTMENT BASE below and deliver as set forth on or about

As available to Federal Paper Board Co., Inc., A. L. Walters, Traffic Mgr., Ransom Township, Columbus Co., Acme, North Carolina 28456*

for operation under the terms and conditions of the LEASE AGREEMENT between LESSEE and **Michael Barra** TRUSTEE (LESSOR) and dated: **X**

1973	Ortnor	100 Ton Long Wood Cars	\$ 612,501.56
Year	Make	Model, etc.	

Unit to be equipped as follows and will include manufacturer's warranty:

-as per specs and price quoted Federal Paper Board Co., Inc. by Ortnor Freight Car Co. as covered by Federal Paper Board Order 89-13191-65.

Specific Units:

FPBX-101	110	119
102	111	120
103	112	121
104	113	122
105	114	123
106	115	124
107	116	125
108	117	
109	118	

\$ 612,501.56

INTERLEASE DISCOUNT \$ **612,501.56**

Specific Instructions to Outlet

***NOTE: MAILING ADDRESS:**

Mr. A. L. Walters, Traffic Mgr.
Federal Paper Board Co., Inc.
Highwood, North Carolina 28456

Federal excise tax, if any \$
Factory freight charge to **Acme, N.C.** \$ **handled separately**

Handling, processing, make ready if applicable \$

Delivered fuel, if any \$

North Carolina Sales Tax will be billed

Other **and paid on monthly rentals.**

INTERLEASE **Interlease Corporation**
Scarsdale, New York

RENTAL ADJUSTMENT BASE **\$ 612,501.56**

OUTLET B *David A. Shel*

LEASE UNIT QUOTATION

UNIT NUMBER SFC-00067

LEASE TERM: 180 Months

MAKE AND MODEL: 25 Ortner Longwood Cars Nos. FPB X101 Through X125

180

Rental for the 1st ~~twelve (12)~~ months of use (or any part thereof), per month 3,402.79 \$

of which \$-----per month shall be the factor used in determining Balance of Rental Adjustment Base

Plus a variable rental as provided in paragraph 25 of Rider A

~~Rental for the next months of use (or any part thereof), per month \$~~

~~of which \$ per month shall be the factor used in determining Balance of Rental Adjustment Base~~

~~Rental for the next months of use (or any part thereof), per month \$~~

~~of which \$ per month shall be the factor used in determining Balance of Rental Adjustment Base~~

~~Rental for the next months of use (or any part thereof), per month \$~~

~~of which \$ per month shall be the factor used in determining Balance of Rental Adjustment Base~~

~~Rental for the next months of use (or any part thereof), per month \$~~

~~of which \$ per month shall be the factor used in determining Balance of Rental Adjustment Base~~

~~Rental for the next months of use (or any part thereof), per month \$~~

~~of which \$ per month shall be the factor used in determining Balance of Rental Adjustment Base~~

Delivery is to be made to FEDERAL PAPER BOARD COMPANY, INC.

at Covington, Kentucky on or about

RENTAL ADJUSTMENT BASE APPLICABLE THIS UNIT:

\$ 612,501.56

MAXIMUM EXTENDED TERM APPLICABLE THIS UNIT:

Ten (10) Yrs.

MICHAEL BARRA, LESSOR

Signed Michael Barra

FIRM DELIVERY ORDER

(LESSEE: If you wish to order delivery against this Quotation, please sign this Firm Delivery Order and forward in duplicate to INTERLEASE CORPORATION, 2 Overhill Road, Scarsdale, N.Y. 10583.)

This is our Firm Delivery Order for delivery under RENTAL AGREEMENT between LESSEE and LESSOR, dated 7/9/75 of the above Unit at the Monthly Rental Charges as scheduled above plus any sales taxes that may apply on the rental charges.

LESSEE FEDERAL PAPER BOARD COMPANY, INC

Date

By [Signature]
AUTHORIZED SIGNATURE

TRUSTEE'S CERTIFICATE

Unit No. SPC-0006X

(as set forth on
attached Schedule A)

MICHAEL BARRA, Trustee under a Trust Agreement dated 2/24/75,

hereby certifies that INTERLEASE CORPORATION its successors and assigns is entitled to the entire interest in and all rents payable with respect to the above numbered Unit leased under a Rental Agreement dated July 9, 1975, between Michael Barra, Trustee, as Lessor and Federal Paper Board Company, Inc. as Lessee. The Rental Adjustment Base for the above numbered Unit, as shown by the Lease Unit Quotation, is \$ 612,501.56. All sums payable on account of said Rental Adjustment Base shall be paid as provided in the said Rental Agreement and the Lease Unit Quotation forming a part thereof, but only from and out of rents, additional rents and Unit resale proceeds received by the undersigned Trustee, pursuant to the provisions of the said Rental Agreement.

The undersigned further certifies that the Rental Agreement and title to the above numbered Unit are held by the undersigned for the benefit of the holder of this certificate.

Dated July 9, 19 75.

Michael Barra

" For Value Received, the undersigned hereby assigns to Morgan Guaranty Trust Company of New York all right, title and interest of the undersigned in and to the within instrument, and irrevocably authorizes the Trustee to direct Lessee to make payment of all Monthly Rental Charges arising under the Rental Agreement to the order of Morgan Guaranty Trust Company of New York".

Dated July 9, 19 75.

INTERLEASE CORPORATION

By R L Roman

SCHEDULE A

RE: SPO-00062

Twenty-five (25) 100 Ton Long Wood Cars

S/N: PPRX-101	111	121
102	112	122
103	113	123
104	114	124
105	115	125
106	116	
107	117	
108	118	
109	119	
110	120	

RENTAL
LEASE AGREEMENT

AGREEMENT made this 9TH day of July, 19 75, by and between

MICHAEL BARRA

, TRUSTEE under a TRUST AGREEMENT

entered into by aforesaid TRUSTEE with INTERLEASE CORPORATION, Scarsdale, New York, 10583, as LESSOR and

FEDERAL PAPER BOARD COMPANY, INC.

as LESSEE.

WITNESSETH:

WHEREAS, LESSEE proposes from time to time to lease from LESSOR items of tangible personal property which may include Cars, Trucks and Industrial Equipment, which items of tangible personal property are hereinafter called "Unit(s)".

NOW, THEREFORE, in consideration of the promises and commitments of the parties hereto, as hereinafter set forth, LESSOR and LESSEE, intending to be legally bound hereby, mutually agree as follows:

1. **PROPERTY.** LESSOR shall lease to LESSEE such Units as may be agreed upon between the parties. LESSEE will request from the LESSOR Lease Unit Quotations for the delivery of Units hereunder. Such requests shall set forth complete specifications as to each Unit required and the place and desired time of delivery. Upon receipt of a request, if the requested Unit is available under this Agreement, LESSOR shall submit to LESSEE a Lease Unit Quotation as per Exhibit A annexed hereto setting forth —

- a) the Lease Term of the Unit
- b) the Extended Lease Term of the Unit
- c) the Monthly Rental Charges
- d) the Rental Adjustment Base and the monthly factors to apply thereon, and
- e) the estimated delivery date.

With respect to each Lease Unit Quotation acceptable to LESSEE, LESSEE will execute the Firm Delivery Order section of the Lease Unit Quotation form and forward that form in duplicate to LESSOR. Upon delivery of the Unit, the Lease Unit Quotation and Firm Delivery Order, together with a Delivery Receipt as per Exhibit B annexed hereto, shall become a part of this Agreement. This Agreement shall be considered a separate lease as to each Unit hereunder.

2. **TERMINATION OF AGREEMENT.** Either the LESSEE or the LESSOR may terminate this Agreement with respect to the leasing of additional or replacement Units upon the fifteenth (15th) day from the date of notice to the other party, but this Agreement shall continue in full force and effect as to Units under lease on the date of such notice until the end of Lease Term or until such time as the disposal of such Units shall be completed in the manner provided in Paragraph 4 of this Agreement following notice of elective termination by LESSEE.

3. **BILLING AND PAYMENT OF MONTHLY RENTALS.** For billing purposes, the delivery date of each Unit shall be considered as of the day following the date of physical delivery. A master invoice covering all Units shall be forwarded to LESSEE as of the first (1st) day of each month, and payment thereof shall be made by LESSEE on or before the fifteenth (15th) day of the month of billing. Units delivered to LESSEE during the first fifteen (15) days of any month shall be invoiced for two (2) months rental on the next invoicing date and for one (1) month on subsequent invoicing dates. Units delivered to LESSEE after the fifteenth (15th) day of any month shall be invoiced for one (1) month on the next invoicing date and for one (1) month on subsequent invoicing dates. The LESSEE shall make payment of all Monthly Rental Charges specified in the Lease Unit Quotation for each Unit leased hereunder, without abatement of rent, counter claim or defense for any reason whatsoever and as directed by the TRUSTEE. If any rentals payable hereunder are not paid as directed by the fifteenth (15th) day of the month of billing, then LESSEE shall pay LESSOR interest on such unpaid rentals from the date due at the rate of six percent (6%) per annum until paid.

4. **ELECTIVE TERMINATION.** At the election of the LESSEE, the Lease Term of any Unit may be terminated as follows:

LESSEE, provided LESSEE is not in default under this Agreement, shall have the right, by notice addressed to LESSOR, c/o INTERLEASE CORPORATION, to fix a termination date for the Lease Term of any Unit which date shall not be less than fifteen (15) days forward from date of postmark on LESSEE'S notice of termination. Upon receipt of such notice by LESSOR, LESSEE'S obligation to pay Monthly Rental Charges shall terminate as of LESSEE'S termination date. If LESSEE'S termination date shall require an adjustment of prepaid rental charges between LESSEE and LESSOR, such adjustment shall be calculated on the basis of a thirty (30) day month, applied to the full Monthly Rental Charge. LESSOR shall thereupon retake custody of, or direct a third party as agent to retake custody of, each terminated Unit and thereafter obtain competitive bids for same from each of three reputable retail outlets, two (2) of which shall not be associated in business with LESSOR or agent. Disposition of such Unit shall be made within a reasonable time following LESSEE'S retaking of custody and shall be subject to the following provisions:

(a) If the highest of the bids received is in excess of the Rental Adjustment Base for that Unit reduced by an amount equal to the aggregate of the monthly factors applied thereon, which remainder is hereinafter referred to as the Balance of Rental Adjustment Base, such Unit shall be sold by LESSOR to the highest bidder. From the proceeds of the sale, LESSOR shall retain an amount equal to the Balance of Rental Adjustment Base and the remaining proceeds shall be divided in the proportion of TWENTY percent (20%) to LESSOR, and EIGHTY percent (80%) to LESSEE in consideration of the servicing, maintenance and repairs given to the Unit by LESSEE during the Lease Term, which shall be deemed largely responsible for the favorable sales price obtained. Provided LESSEE is not in default under this Agreement, LESSOR shall remit such payment to LESSEE within thirty (30) days following date of consummation of sale. Disposition of a Unit under the conditions of this sub-paragraph shall terminate all rental obligations of LESSEE with respect to Unit.

(b) If the highest of the bids received is less than the Balance of Rental Adjustment Base determined in the manner set forth in sub-paragraph (a) preceding and the indicated deficit is \$50.00 or less, the Unit shall be sold to the highest bidder. The proceeds of the sale shall be retained by the LESSOR to apply against the Balance of Rental Adjustment Base for the Unit sold, and the deficit shall be absorbed by the LESSOR. Disposition of a Unit under the conditions of this sub-paragraph shall terminate all rental obligations of LESSEE with respect to the Unit.

(c) If the highest of the bids received is less than the Balance of Rental Adjustment Base determined in the manner set forth in sub-paragraph (a) preceding and the indicated deficit is more than \$50.00, LESSOR shall inform LESSEE'S designated employee of the amount of the Balance of Rental Adjustment Base and of the highest of the bids received. The LESSEE shall promptly advise LESSOR of approval or non-approval of sale of the Unit at the highest bid:

If LESSEE approves sale of the Unit under this sub-paragraph, said Unit shall be sold by LESSOR, or his agent, to the highest bidder, and the proceeds of such sale shall be retained by the LESSOR to apply against the Balance of Rental Adjustment Base. With respect to the deficit, \$50.00 thereof shall be absorbed by the LESSOR and LESSEE shall pay to the LESSOR the balance of such deficit as an adjustment of rental within thirty (30) days following receipt by LESSEE from LESSOR of an invoice for same accompanied by a notarized copy of the Bill of Sale. Payment of such invoice by LESSEE shall terminate all rental obligations of LESSEE with respect to the Unit.

If LESSEE does not approve sale of the Unit under this sub-paragraph, LESSEE, within ten (10) days from the date of having withheld permission to sell, shall elect one of the following options:

~~(i) to retake custody of the Unit under the provisions of this Agreement, subject to the resumption of Monthly Rental Charges from the date to which such rentals were previously paid; or,~~

~~(ii) to retake custody and sell such Unit for the account of the LESSOR, provided that within thirty (30) days from the date of retaking custody, LESSEE shall pay to LESSOR the Balance of Rental Adjustment Base less \$50. on a Unit so retaken and sold. Such payment shall terminate all rental obligations of LESSEE with respect to the Unit and LESSOR shall furnish LESSEE with signed-off title and Bill of Sale to such Unit free and clear of all liens and encumbrances so that LESSEE may pass ownership to a third party.~~

LESSEE shall have the right to assign an employee or agent to hear the bids and to examine the original Bills of Sale and other records pertaining to any sale performed by LESSOR or his agents under this Agreement.

5. **EXTENDED USE.** LESSEE shall have the right to retain under lease any Unit delivered hereunder past the end of original Lease Term for as long as the number of years specified in the Lease Unit Quotation as Maximum Extended Term applicable to that Unit. The rental charge for each month of extended use shall be One percent (1%) of the fair market value of the Unit as of end of original Lease Term. In the event that LESSEE and LESSOR cannot agree on the fair market value of the Unit to be retained under Lease, the fair market value thereof shall be determined by an independent appraiser selected by the LESSEE. LESSEE shall not retain a Unit beyond the end of the Maximum Extended Term unless LESSOR is unwilling or unable to make replacement thereof in which instance LESSEE shall have the right to retain the Unit under Lease until LESSEE is able to obtain suitable replacement equipment from LESSOR or other sources.

6. **REGISTRATION.** When required, LESSOR shall deliver proof of ownership of a Unit to LESSEE with such authorizing documents which may be required by law to enable LESSEE to register and license the Unit in the name of the TRUSTEE. LESSEE shall pay for all title, registration and licensing costs.

7. **INSPECTIONS.** LESSEE shall pay for all periodic examinations of Units required by laws of states or subdivisions of states in which Units are operated and LESSEE shall make or have made all necessary repairs or adjustments so determined not covered by manufacturers' warranties.

8. **EXPENSES, FEES, CHARGES, ETC.** LESSOR shall cause Units to be physically delivered to the destination specified by LESSEE without extra charge for such delivery other than those charges as included in Rental Adjustment Base.

LESSEE shall pay all operating costs, expenses, fees and charges, except those covered by manufacturers' warranties, incurred in connection with Units under lease. Such costs, expenses, fees and charges shall include, but shall not be limited to, expenditures for gasoline, fuel, oil, grease, repairs, and maintenance parts, tires, tubes, parking, tolls, and all fines related to the custody or operation of Units leased hereunder.

9. **TAXES.** LESSOR shall pay Federal, state and local excise, property and/or sales taxes as they become due and payable on Units leased hereunder and LESSEE shall reimburse LESSOR for such tax outlays.

10. **LOSS OF OR DAMAGE TO UNITS.** Liability for loss and/or damage to any Unit leased hereunder, from whatsoever cause arising; and including without limitation, collision, fire, theft, flood or conversion, abandonment, or unauthorized sale or concealment by agent or employee of LESSEE, or any other cause or combination of causes which may occur after the moment of delivery of the Unit under lease to the moment of reclamation by LESSOR or his agent, is hereby assumed by LESSEE. In the event of total loss or damage to any Unit while same is under lease, the LESSEE'S liability therefor shall be the Balance of Rental Adjustment Base for the Unit. LESSEE shall advise LESSOR of any loss within ten (10) days from the occurrence thereof, and any payment due LESSOR in this respect shall be remitted by LESSEE to LESSOR within thirty (30) days following date of loss. Such payment by LESSEE shall terminate all rental obligations of LESSEE with respect to the Unit. In the event of less than total loss by damage to a Unit while same is under lease, LESSEE shall have the option of 1) repairing or causing to be made and paying for the repairs necessary to restore the Unit to normal operating condition and appearance, or 2) paying to LESSOR the Balance of Rental Adjustment Base pertaining to the Unit and terminating the Lease thereof, in which instance LESSOR shall furnish LESSEE with signed off title free of liens and encumbrances so that title and ownership may be passed to a third party.

11. **EXPENSES AT TERMINATION.** If repair of a unit terminated by LESSEE in the manner set forth in Paragraph 4 before end of original Lease Term may be deemed advisable by LESSEE and LESSOR before liquidation, LESSEE shall pay for such repair costs. The LESSOR, however, shall not proceed with any repairs without the consent of the LESSEE. If LESSEE and LESSOR fail to agree on the extent of the repairs to be performed before sale, LESSEE shall have the right to direct the LESSOR to sell the Unit in an "as is" condition and LESSOR shall comply with such direction. LESSEE shall not be obligated to assume the cost of any repairs which LESSOR or his agent may make or cause to have made to a Unit which is terminated by LESSEE at the end of or following the end of original Lease Term unless LESSEE agrees to assume such costs. When LESSOR shall determine that a greater recovery against a terminated Unit can be effected by sale at a reputable, organized and established auction, it being recognized that at least three (3) bidders will be present thereat, LESSOR shall have the right to deliver vehicles terminated hereunder to such auctions for sale. LESSEE hereby agrees that the cost of any clean-up or repair deemed necessary by said auction before sale plus charges by the auction for selling shall be deducted from the gross sale figure to determine final net realization against that vehicle so sold.

12. **SERVICE CONTINGENCIES.** LESSOR shall not be liable for damages for any loss of business or other losses arising in any way from interruption of the lease service hereunder provided.

13. **LIABILITY OF LESSEE.** From the moment of delivery of the Unit to LESSEE under this lease, to the moment of reclamation by LESSOR, or his agent, LESSEE shall assume full responsibility in connection therewith and shall indemnify and hold LESSOR harmless from any claim or damage arising in connection with such Unit from any cause. LESSEE shall comply with and cause all persons operating Units under lease to comply with all requirements of law relating to the Unit, including registration and operator's licensing requirements, and shall operate all Units in conformity with the conditions of policies of insurance relating thereto, and LESSEE hereby agrees to hold harmless and indemnify LESSOR from any claim, liability, or loss, damage or expense resulting from any failure by LESSEE to comply herewith.

14. **INSURANCE.** LESSEE shall provide and pay the cost of fire, theft and comprehensive and full collision insurance covering all risks pertaining to Units leased hereunder while Units are in possession of LESSEE or its agent, or at its election LESSEE shall self-insure for all such risks. In the event that LESSEE shall elect to so self-insure, such permission must be obtained by LESSEE from LESSOR in writing.

LESSEE agrees to provide and pay for Bodily Injury and Property Damage insurance issued by a company acceptable to LESSOR against loss caused by the operation of Units leased hereunder to the minimum extents of \$300,000.00 per accident and \$100,000.00 per person in the case of bodily injury, and to the minimum extent of \$25,000.00 per accident in the case of damage to property. Such insurance shall be in full force and effect from the moment LESSOR dispatches Units ordered hereunder from a distribution point or dealership to such addresses as specified by LESSEE to the moment of final liquidation of such Units as according to Paragraph 4 or Paragraph 11 of this Agreement. LESSEE shall furnish LESSOR with Certificates of such Bodily Injury and Property Damage insurance designating the TRUSTEE and INTERLEASE CORPORATION as additional insured parties under the policies.

15. **USE OF VEHICLES, ETC.** LESSEE may use Units only for all lawful purposes. Such use shall be confined to the United States and Canada. LESSEE shall comply with LESSOR'S requests for information regarding any change of location, or other pertinent data with reference to the use and operation of Units leased hereunder.

16. **NO WARRANTIES.** LESSOR, not being the manufacturer of Units leased hereunder, makes no warranty or representation, express or implied, as to the fitness, safeness, design, condition, quality, capacity, useability, or workmanship of such Units nor any warranty that the Units will satisfy the requirements of any law or any contract specifications, all such risks being borne, as between LESSOR and LESSEE, by the LESSEE at its sole risk and expense.

17. **OWNERSHIP.** It is expressly understood and agreed that this Agreement is a contract of lease only, and LESSEE shall not acquire title to any Units except in such circumstances and in such manner as provided in Paragraph 10 above.

18. **DEFAULT.** In the event that:

(a) LESSEE shall default in the due and punctual payment of any rental payments due hereunder or any other amount payable to LESSOR hereunder for more than 10 days after the same shall have become due and payable; or

(b) LESSEE shall default in the due performance of any other term, provision or condition of this Agreement and such default shall continue for a period of 15 days after written notice thereof by LESSOR to LESSEE; or

(c) A proceeding in reorganization, bankruptcy or insolvency be instituted by or against LESSEE or its property in any Court, which proceeding remains undismissed for a period of 30 days, or the LESSEE applies for or consents to any assignment for creditors, or other reorganization or creditor agreement either with or without court action; or

(d) LESSEE shall make or permit any unauthorized use, assignment or transfer of the equipment, then in any such event all rentals and all other sums of money payable hereunder shall become and be immediately due and payable upon notice to that effect given by LESSOR or his representative to LESSEE and upon such notice all rights of the LESSEE hereunder or to the leased Units shall forthwith terminate and all Units shall forthwith be surrendered to the LESSOR at its place of business or at any other place reasonably designated by LESSOR. Upon such termination the LESSOR shall be entitled to reclaim and repossess any Units not surrendered and delivered to the LESSOR with full right of entry upon any premises of the LESSEE for such purpose without liability for doing so, and shall be entitled to recover from the LESSEE all rentals and additional rentals or other claims which are then unpaid or which may become due and payable prior to the expiration of the Lease as originally provided and all losses, damages and expenses including attorneys' fees sustained by the LESSOR by reason of LESSEE'S default.

19. TRUSTEE'S CERTIFICATES AND DELIVERY RECEIPTS. LESSOR as Trustee contemplates the issuance of a Trustee's Certificate for each Unit delivered hereunder. Such Certificate shall be in the form of Exhibit C annexed hereto. Upon delivery of each Unit the LESSEE shall execute a Delivery Receipt in the form of Exhibit B annexed hereto, it being understood that such Delivery Receipt will be delivered by LESSOR as Trustee to the holder of the Trustee's Certificate issued with respect to such Unit as evidence of the delivery of same and acceptance thereof by the LESSEE in accordance with the terms, covenants and conditions of this Agreement.

20. ASSIGNMENT. This Agreement may not be assigned by the LESSEE and no amendment or modification hereof shall be effective or binding as to any Unit unless first approved in writing by the holder of the Trustee's Certificate issued with respect to such Unit.

21. NOTICE. Notices hereunder shall be effective when mailed to the addresses herein specified. Either party may notify the other in writing of a change of address and, upon receipt of such notice, notices thereafter will be effective if mailed to such new address.

Rider A and Firm Delivery Order

THIS AGREEMENT, together with the Lease/Quotation and ~~Firm Delivery Order~~ as incorporated therewith, and the Delivery Receipt for each Unit delivered hereunder to LESSEE shall represent the entire agreement and upon execution shall be binding upon the parties hereto and their successors. This Agreement will become effective only upon acceptance by the LESSOR in the State of New York and shall in all respects be interpreted pursuant to, and governed by, the laws of the State of New York.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed as of the day and year first above written.

ACCEPTED:

FEDERAL PAPER BOARD COMPANY, INC.
(LESSEE)

Muhar Barua, Trustee
TRUSTEE (LESSOR)

By [Signature]
(Title)

By _____
(Title)

WITNESS _____

[Signature]
WITNESS _____

RIDER A TO RENTAL AGREEMENT DATED , 1975

BETWEEN MICHAEL BARRA, TRUSTEE AND
FEDERAL PAPER BOARD COMPANY, INC.

22. This Lease Agreement may be terminated by the Lessor either 60 months after commencement or 120 months after commencement, provided Lessor gives Lessee at least 30 days' written notice of its intention to cancel.
23. In the event of such termination by Lessor, Lessee is granted the option to purchase, on the date of termination, all of the equipment leased hereunder at the then fair market value, but in no event less than \$408,334.10 if at the end of the 60th month and \$204,166.70 if at the end of the 120th month.
24. In the event that Lessee fails to notify Lessor, at least 15 days prior to the date of termination, of the exercise of its option to purchase, such failure shall be considered an "Elective Termination" under paragraph 4 hereof and the provisions of that paragraph shall apply.
25. The variable rental provided for in the Lease Unit Quotation shall be an amount equal to the minimum commercial lending rate ("MCLR") charged by Morgan Guaranty Trust Company, from time to time, plus 1/2% (computed on the basis of a 360 day year of twelve 30-day months) on the then Balance of Rental Adjustment Base. The variable rental specified above shall be adjusted on the Rental Payment Date next following the effective date of each change in the MCLR.

FEDERAL PAPER BOARD COMPANY, INC.
(Lessee)

By: _____



Michael Barra, trustee
MICHAEL BARRA, Trustee
(Lessor)

STATE OF NEW JERSEY)
) S.S.
COUNTY OF BERGEN)

On this 1ST day of JULY, 1975, before me personally appeared QUENTIN J. KENNEDY, to me personally known, who being by me duly sworn, says that he is Vice President and Secretary of FEDERAL PAPER BOARD COMPANY, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary A. De Santis

NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES OCT. 25, 1975

STATE OF NEW YORK)
) S.S.
COUNTY OF Westchester)

On this 8 day of July, 1975, before me personally appeared MICHAEL BARRA, Trustee, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Rodney P. MacPhee Jr.

RODNEY P. MACPHEE JR.
Notary Public, State of New York
No. 60-240889
Qualified in Westchester County
Commission Expires March 30, 1977