1323

LEASE

AGREEMENT made and entered into this 25th day of February, 1974, between

UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation, (hereinafter called "United"), and

Belfast and Moosehead Lake Railroad Company, A Maine Corporation,

(hereinafter called "Lessee").

RECORDATION NO. 7480 Filed & Recorded

APR 3 1974 -3 25 PM

INTERSTATE COMMERCE COMMISSION

RECITALS

Lessee desires to lease from United as Lessor certain railroad cars, hereinafter specifically designated, all upon the rentals and terms and conditions set forth in this Lease.

AGREEMENT

It Is Agreed:

1. *Lease of Cars.* United agrees to lease to Lessee and Lessee agrees to and does hereby lease from United that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Exhibit "A" attached hereto and by this reference made a part hereof. The Cars covered by this Lease are those which shall be delivered to and accepted by Lessee pursuant to Paragraphs 2 and 3 hereof. The Lease shall become effective as to any Car immediately upon its acceptance pursuant to Paragraph 3 hereof.

2. *Delivery of Cars.* United shall deliver the Cars as promptly as is reasonably possible from time to time in groups of no less than ....one.... United shall not be responsible for failure to deliver or delay in delivering Cars due to casualties and contingencies beyond its direct control, such as, but not limited to, labor difficulties, fire, delays and defaults of carriers and car and material suppliers; provided, however, that in no event shall Lessee be obligated to accept delivery of Cars after August, 1974. Initial delivery shall be f.o.t. U.S. Railway's Mfg. Co's Plant in Ashland City, Tennessee.

Thereafter, Lessee shall be liable for, and shall pay or reimburse United for the payment of, all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of Cars, including specifically, but not exclusively, freight and switching charges for movement to and from United's plant at any time and for any reason.

3. *Condition of Cars — Acceptance.* All Cars delivered hereunder shall be in satisfactory condition for movement in the normal interchange of rail traffic and shall otherwise comply with the description and/or specifications contained in Exhibit "A"; but Lessee shall be solely responsible for determining that Cars are in proper condition for loading and shipment. Within five (5) days after United shall give Lessee notice that some or all Cars are ready for delivery, Lessee may have its authorized representative inspect such Cars at (~~[illegible]~~ (United's plant) ~~[illegible]~~ and accept or reject them as to condition. Cars so inspected and any Cars which Lessee does not elect to inspect shall be conclusively deemed to meet all requirements of this Lease and any differences or discrepancies from specified condition, construction, type, equipment, or otherwise, are thereby waived by Lessee without further act on its part. Lessee shall issue and deliver to United, with respect to all Cars accepted as or deemed hereunder to meet the requirements of this Lease, a Certificate of Inspection and Acceptance in the form and text attached hereto as Exhibit "B" and by this reference made a part hereof.

* Strike inapplicable material in Paragraph 3.

4. *Use and Possession.* Throughout the continuance of this Lease, so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to each Car and shall use such Car exclusively in its own service for the transportation of Pulpwood (a) on its own property or lines; or (b) upon the lines of any railroad or other person, firm or corporation in the usual interchange of traffic; provided, however, that Lessee agrees that the Cars shall at all times be used (i) in conformity with the rules ("Operating Rules") governing use, condition, repair and other matters pertaining to the interchange of freight traffic, adopted and in effect from time to time by the Association of American Railroads ("AAR") and any other organization, association, agency or governmental authority, including the United States Department of Transportation, which may from time to time be responsible for or have authority to adopt Operating Rules; (ii) in compliance with the terms and provisions of this Lease; (iii) in a careful and prudent manner, solely for the purpose, in the service and in the manner for which they were designed; (iv) only within the continental limits of the United States of America or in Canada, and (v) in such service as will not employ more than ten percent (10%) of the Cars as part of any one (1) train, except as same results from interchange practices beyond lessee's contr

5. *Term — Average Date.* This Lease shall be for a term (hereinafter referred to as the "original term") which shall commence on the date of delivery by United of the first Car, as provided in Paragraph 2 hereof, and shall terminate .....five..... (...5.....) years from the Average Date of Delivery unless sooner terminated in accordance with the provisions of this Lease. The Average Date of Delivery shall be determined after delivery of the Cars as follows,

(a) multiply the number of Cars delivered by United on each day by the number of days elapsed between such day and the date of delivery of the first Car hereunder, then add all of the products so obtained and divide by the total number of Cars so delivered; the quotient rounded out to the nearest whole number shall be added to the date of delivery of the first Car, and the resulting date shall constitute the Average Date of Delivery;

(b) the date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the Lessee, as specified in Paragraph 2. A Car shall be conclusively deemed delivered to the Lessee on the earliest date shown on any of the following: (i) Certificate of Inspection and Acceptance or other writing accepting a Car signed by the Lessee; or (ii) a bill of lading showing delivery to Lessee or to a foreign line railroad for the account of Lessee.

6. *Option to Extend.* Unless Lessee is in default under the provisions of this Lease, Lessee shall have an option to extend the term of this Lease upon the same terms and conditions as to all or any portion of the Cars then subject to this Lease by notifying United in writing no less than ninety (90) days and no more than six (6) months prior to the end of the original term. An extension pursuant to this option with respect to any Car shall be for a period (hereinafter referred to as the "extended term") of one (1) month from the end of the original term and shall automatically continue from month to month thereafter without further act by either party until termination of this Lease with respect to such Car,

(a) by written notice from Lessee to United on or before the last day of any month of such extended term stating that the Lease is cancelled as to such Car as of the last day of the next month;

(b) by United on account of default by the Lessee;

(c) by the expiration of five (5) years from the end of the original term at which time this Lease will terminate in all events.

e Rider No. 1 attached

7. *Rental.* Lessee shall pay to United as rental for each Car,

(a) during the original term, from and including the date of delivery of such Car, the sum of $224.61 per Car per Month.

(b) during the extended term, from and including the first day following the end of the original term, the sum of $224.61 per Car per Month.

If, pursuant to Exhibit "A" hereof, the Cars bear United's reporting marks and numbers, then any mileage payments allowed by railroads on the Cars shall be the property of United, but United shall credit the mileage payments actually received by it to a mileage payment account maintained by United in respect to this Lease. Payments recorded in such account shall be offset pro tanto against and only against rental then or thereafter due from Lessee under this Lease; provided, how-

ever, that the total of the credits to the Lessee on account of mileage payments shall not exceed the total rental paid by Lessee during the term hereof and any unused credits shall be cancelled at the end of the term hereof or at the termination of this Lease as to all Cars, whichever shall first occur. Lessee shall so use the Cars that their mileage under load shall be equal to their mileage empty upon each railroad (not having a published exemption therefor in its tariff) over which the Cars shall move; provided, however, that this undertaking shall not apply to the movement of Cars over Lessee's own lines.. Upon notice from any railroad, whether received prior to or after termination of this Lease, Lessee shall pay United as additional rental for all excess empty mileage (at the rate established by the tariff of such railroad) incurred on Cars covered by this Lease.

8. *Payment.* Lessee shall make payment of all sums due hereunder to United in Chicago funds at the address provided in Paragraph 21 hereof, or such other place as United may direct. Rental payments shall be made monthly in advance on or before the 1st day of each month for which such rental is due, except that the first full month's payment shall include rental covering any prior period of less than one month.

9. *Title.* United has or will have title to the Cars at the time they are delivered hereunder to Lessee and Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights herein expressly granted to it as Lessee.

10. *Maintenance.* Lessee shall, during the continuance of this Lease, promptly and with due diligence, keep and maintain the Cars in good working order and repair (ordinary wear and tear excepted) and make all replacements, changes or additions to the Cars or their equipment and appliances to the extent necessary or required from time to time,

(a) by the Interchange Rules; and

(b) by applicable laws and regulations of any state or governmental body, including specifically but not exclusively, the Interstate Commerce Commission,

all at Lessee's own cost and expense and without any abatement in rent or other loss, cost or expense to United; provided, however, that the provisions of Paragraph 17 hereof shall apply in the event of damage or destruction beyond repair. Any parts, replacements, or additions made to any car shall be accessions to such Car and title thereto shall be immediately vested in United without cost or expense to United.

11. *Taxes and Other Levies.* Lessee shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes levied or assessed during the continuance of this Lease upon the Cars or the interest of the Lessee therein or any thereof, or upon the use or operation thereof or the earnings arising therefrom, and if any levy or assessment is made against United on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of United therefrom (except any such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), Lessee will promptly pay or reimburse United for same; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgement of United, the rights or interests of United in and to the Cars will be materially endangered. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee will either make such reports in such manner as to show the ownership of such Cars by United or will notify United of such requirements and will make such report in such manner as shall be satisfactory to United.

12. *Liens.* Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect United's title, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease, and shall promptly discharge any such lien, encumbrance or legal process, except such as are permitted by United under Paragraph 11 hereof.

13. *Indemnity — Patent Covenants.* Lessee agrees to indemnify United and save it harmless from any charge, loss, claim, suit, expense or liability which United may suffer or incur and which arises in connection with the use or operation of a Car or Cars while subject to this Lease (but not while in United's shop or possession) and without regard as to how such charge, loss, claim, suit, expense or liability arises, including without limiting the generality of the foregoing, whether it arises from latent or other defects which may or may not have been discoverable by United. United agrees to indemnify Lessee and save it harmless against any charge, loss, claim,

suit, expense or liability arising out of or on account of the use or incorporation by United upon delivery of a Car or upon the making of repairs thereto by United, of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of the specifications in Exhibit "A" hereto. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

14. *Warranty — Representations.* Except as otherwise provided in Paragraph 9, United makes no warranty or representation of any kind whatsoever, either express or implied as to any matter whatsoever, including specifically but not exclusively, fitness, design, workmanship, condition or quality of the Cars or parts thereof which Cars have been accepted by Lessee hereunder, and United shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential on account of any matter which would otherwise constitute a breach of warranty or representation. United agrees to assign to Lessee such rights as it may have under warranties, if any, which it may have received from the manufacturer of any new Cars and shall at Lessee's expense cooperate with Lessee and take such action as may be reasonably requested to enable Lessee to enforce such rights. Lessee represents that all of the matters set forth in Paragraph 22(a) through and including (e) shall be and are true and correct at all times that any Car becomes subject to this Lease.

15. *Car Marking.* Each Car upon delivery will be distinctly, permanently and conspicuously marked in stencil with one of the reporting numbers and marks specified in Exhibit "A" and with a legend on each side in letters not less than three-quarters inches (¾") in height substantially as follows:

UNITED STATES RAILWAY LEASING COMPANY
Lessor

The name of any assignee of United's interest or trustee or mortgagee having an interest in the Car shall also appear if requested by United or such other party, or in lieu thereof United may add the following inscription:

Title to this Car subject to documents recorded
under Section 20(c) of Interstate Commerce Act.

Lessee shall immediately replace any such stenciling which may be removed, destroyed or become illegible wholly or in part. Upon Lessee's request United shall furnish a stencil with the form of the marks, numbers and legend. Except for the numbering and stenciling as provided herein, and such markings as Lessee desires to indicate its interest hereunder, Lessee shall keep the Cars free from any marking or labeling which might be interpreted as a claim of ownership thereof by Lessee, or any party other than United.

16. *Inspection — Inventory.* During the continuance of this Lease, United shall have the right, at its own cost and expense, to inspect the Cars at any reasonable time or times wherever the Cars may be. Lessee shall, upon request of United, but no more than once every year, furnish to United two (2) copies of an accurate inventory of all Cars in service.

17. *Loss, Theft or Destruction of Cars.* In the event any Car is lost or stolen or is destroyed or damaged beyond economic repair from any cause whatsoever, Lessee shall promptly and fully inform United of such occurrence and shall within thirty (30) days after the date of such notice, pay to United, as liquidated damages in lieu of any further claim of United hereunder except for accrued rent and such claims as arise or exist under Paragraphs 11, 12 and 13, an amount in cash equal to:

(a) the present worth, as hereinafter defined, of the total remaining rental for such Car which would otherwise accrue during the original term as defined in Paragraph 5, from the date of such occurrence to the last day of such term; plus

(b) the net scrap value, as hereinafter defined, for such Car.

~~If any such loss, destruction or damage occurs off the line of Lessee,~~ United may elect in lieu of the amount provided in Paragraphs (a) and (b) to receive a sum equal to the settlement basis provided by the Interchange Rules. The present worth of the total remaining rental as used in this Paragraph 17 (a) shall mean an amount equal to the rental discounted on a five per cent (5%) per annum basis (compounded annually from the date of such occurrence to the end of the original term). ~~The net scrap value shall mean an amount in cash equal to the current quoted price per net ton of No. 1 Heavy Railroad Melting Steel Scrap, prevailing at ....., as published in *Iron Age* or other reputable industrial~~

The net scrap value shall mean an amount in cash equal to the average of the current quoted prices per net ton of No. 1 Heavy Railroad Melting Steel Scrap, prevailing at Pittsburgh, Pennsylvania, Cleveland, Ohio and Chicago, Illinois, as published in Iron Age or other reputable industrial journals, on the first day of the month preceding the month in which payment of such net scrap value is required to be made, multiplied by Thirty (30) tons.

~~journals, on the first day of the month preceding the month in which payment of such net scrap value is required to be made, multiplied by ..... (.....) tons.~~

In the event any of the Cars are destroyed or damaged beyond economic repair on the line of Lessee, United may, at its option, in lieu of receiving the net scrap value of such Cars, elect that Lessee return such damaged or destroyed Cars to United either on wheels or in cars at such point on Lessee's line as United may designate. United shall make such election in writing within fifteen (15) days after receiving Lessee's notice that Cars have been destroyed or irreparably damaged. This Lease shall continue in full force and effect irrespective of the cause, place or extent of any damage, loss or destruction of any of the Cars, the risk of which shall be borne by Lessee; provided, however, that this Lease shall terminate with respect to any Car which is lost, stolen or destroyed or damaged beyond repair on the date United shall receive payment of the amount required to be paid to it on account of such Car under this Paragraph 17.

18. *Return of Cars.* Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 17 hereof), Lessee shall at its sole cost and expense,

(a) forthwith surrender possession of such Car to United in the condition required by Paragraph 10 hereof by delivering same to United (at its plant xx..East..of..the..... Mississippi.River.....) ~~[illegible]~~

(b) if United shall so request by written notice delivered prior to surrender of possession of such Car as above provided, provide suitable storage for such Car for a period of ninety (90) days from the date of expiration or termination and inform United of the place of storage and the reporting number of the Car there stored.

Delivery in storage shall constitute delivery of possession for the purpose of this Paragraph 18 and such storage shall be at the risk of United. Upon termination of the storage period or upon request of United prior thereto, Lessee shall cause the Car to be transported to United at the place and in the manner provided in Paragraph 18(a). Until the delivery of possession to United pursuant to Paragraph 18(a) or (b), Lessee shall continue to pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall, in addition, make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred.

19. *Default.* The term "event of default" for the purpose hereof shall mean any one or more of the following:

(a) non-payment by Lessee within thirty (30) days after the same becomes due of any installment of rental or any other sum required to be paid hereunder by lessee;

(b) the Lessee shall default or fail for a period of thirty (30) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder;

(c) a decree or order shall be entered by a court having jurisdiction in the premises adjudging Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Lessee under the Federal Bankruptcy Act or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the 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 unstayed and in effect for a period of thirty (30) days;

(d) the institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceedings or to any action taken or proposed to be taken in any procedings or action described in Paragraph 19 (c), or the making by Lessee of an 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 the taking of corporate action by Lessee in furtherance of any such action.

20. *Remedies.* Upon the happening of an event of default, United, at its option, may:

(a) proceed by appropriate court action either at law or in equity for specific per-

*Strike inapplicable material.

formance by the Lessee of the applicable covenants of this Lease or to recover from Lessee all damages, including specifically but not exclusively, expenses and attorneys' fees which United may sustain by reason of Lessee's default or on account of United's enforcement of its remedies hereunder;

(b) elect only to terminate the Lessee's right of possession (but not to terminate the Lease) without releasing Lessee in whole or in part from its liabilities and obligations accrued hereunder, or hereafter to accrue for the remaining term of the Lease, and thereupon require Lessee to deliver all such Cars to United at any of its plants or to take possession itself, of any or all of the Cars wherever same may be found. United may, but need not, require delivery of the Cars to it or repossess the Cars, but in the event the Cars are delivered to United or are repossessed, United shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. Lessee shall not assert, in mitigation of its damages or otherwise, any lack of diligence by United in or related to the procuring of another lessee or in refusing to accept any proposed or prospective lessee or other transaction, such matters being within United's sole discretion and determination. The election by United to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained;

(c) declare this Lease terminated and recover from Lessee all amounts then due and payable plus, as liquidated damages for loss of the bargain and not as penalty, a sum which represents the excess of the present worth, at the time of such termination, if any, of the aggregate rental which would have thereafter accrued from the date of such termination to the end of the original term over the then present worth of the fair rental value of the Cars for such period. Present worth is to be computed in each case on the basis of a five per cent (5%) per annum discount, compounded annually from the respective dates upon which rental would have been payable hereunder had this Lease not terminated. In addition to the foregoing, United shall recover any damages sustained by reason of the breach of any covenant of the Lease other than for the payment of rental;

(d) recover or take possession of any or all of the Cars and hold, possess and enjoy the same, free from any right of the Lessee to use the Cars for any purposes whatsoever.

The remedies provided in this Paragraph 20 in favor of United shall not be deemed exclusive but shall, where not by rule of law inconsistent with each other, be cumulative and may be availed of singly, in combination, or all together and in any order, and shall be in addition to all other remedies, in United's favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify any of the remedies herein provided to the extent that such waiver is permitted by law.

21. *Sublease and Assignment.* Lessee shall have the right to sublease any of the Cars, subject at all times to the terms hereof, and each of the parties shall have the right to assign the Lease or their rights thereunder only as follows:

(a) all rights of United hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to Lessee, but subject to Lessee's rights under this Lease. If United shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee. Lessee will not amend, alter or terminate this Lease without the consent of the assignee while such assignment is in effect. The rights of any assignee or any party or parties on behalf of whom such assignee is acting shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether arising out of any breach of any obligation of United hereunder or by reason of any other indebtedness or liability at any time owing by United to the Lessee;

(b) Lessee shall not assign this Lease without the written consent of United provided, however, that Lessee may assign all of its rights under this Lease to another railroad corporation which succeeds to all or substantially all of the assets and business of the Lessee provided that such successor shall assume all of the obligations of the Lessee hereunder.

The making of an assignment or sublease by Lessee or an assignment by United shall not serve to relieve such party of any liability or undertakings hereunder nor to impose any liability or undertaking hereunder upon any such assignee or sublessee except as otherwise provided above or unless expressly assumed in writing by such sublessee or assignee.

22. *Opinion of Counsel.* Upon the request of United or its assignee at any time or times, Lessee will deliver to United an opinion of counsel for Lessee, addressed to United or its assignee in form and substance satisfactory to counsel for United, or its assignee, which opinion shall be to the effect that:

(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has corporate power to enter into this Lease and carry out its obligations thereunder;

(b) this Lease constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

(c) the Cars which are then subject to the Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under Lessee, and all of the Cars were, upon delivery to Lessee, in condition satisfactory to Lessee and were accepted by Lessee in accordance with the terms of this Lease;

(d) no recording, filing or depositing of this Lease, other than with the Interstate Commerce Commission, in accordance with Section 20(c) of the Interstate Commerce Act, is necessary to preserve or protect the title of United or its assignee in the United States of America; and

(e) no governmental authorization or approval is necessary in connection with the Lease or any other action contemplated hereunder.

23. *Notice.* Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when forwarded registered United States mail, return receipt requested, postage prepaid, addressed to:

United at: 2200 East Devon Avenue
Des Plaines, Illinois 60018

or at such other address as United may from time to time designate by notice in writing, and to:

Lessee at: 11 Water Street
Belfast, Maine 04915

or any such other place as Lessee may from time to time designate by notice in writing.

24. *Recording of Lease.* Prior to the delivery and acceptance of the first Car, United intends, without expense to Lessee, to cause this Lease and any assignment thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act. Lessee will from time to time do and perform any other act and will execute acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by United, for the purpose of proper protection to the satisfaction of counsel for United, of its title to the Cars, or for the purpose of carrying out the intention of this Lease. Except as hereinbefore provided, Lessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of any such further instrument or incident to the taking of any such other action, and will furnish to United certificates or other evidence of any such action.

25. *Governing Law–Writing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

26. *Counterparts.* This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be evidenced by any such signed counterpart.

27. *Severability—Waiver.* If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of United to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

28. *Terminology.* In construing any language contained in this Lease, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

29. *Past Due Rental.* Anything to the contrary herein contained notwithstanding, any non-payment of rentals or other sum due hereunder, whether during the thirty (30) day period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount equal to seven per cent (7%) per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of the overdue rentals for the period of time during which they are overdue.

30. *Benefit.* The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties, their successors and assigns (to the extent permitted in Paragraph 21 hereof) and the term "United" and the term "Lessee" shall mean, respectively, all of the foregoing persons who are at any time bound by the terms hereof. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 13 hereof shall apply to and inure to the benefit of any assignee of United, and if such assignee is a trustee under an indenture under which notes of United have been issued in connection with the financing of the Cars, then to any holder of such notes.

IN WITNESS WHEREOF, United and Lessee have duly executed this Lease as of the day and year first above written.

UNITED STATES RAILWAY LEASING COMPANY,
an Illinois corporation

By: .....
Vice President

ATTEST:

.....
Asst. Secretary

Belfast & Moosehead Lake RR Co.

A Maine Corporation

ATTEST:

.....
Secretary

By: .....
President

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 27th day of March, 19 74, before me personally appeared Tom C. Campbell, to me personally known, who being by me duly sworn, says that he is Pres. President of the United States Railway Leasing Company, and Paul R. Leak, to me personally known to be the Assist. Secretary of said corporation, 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 by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Ellen Jandle
Notary Public

My Commission Expires June 11, 1975

STATE OF Maine }
COUNTY OF Waldo } ss

On this 4th day of March, 19 74, before me personally appeared Herbert C. Hutchings, Jr., to me personally known, who being by me duly sworn, says that he is President of Belfast and Moosehead Lake Railroad Company, and Wilfred I. Hall, to me personally known to be the Secretary of said corporation, 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 by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marion H. Dumont
Notary Public

EXHIBIT "A"

Lease dated ....February 25....., 19....74., by and between United States Railway Leasing Company ("United") and ..Belfast & Moosehead Lake RR..... ("Lessee")

TYPE OF CAR:

New [x] 70-Ton Pulpwood Cars

Used [ ]

NUMBER OF CARS: Ten (10)

*REPORTING NUMBERS AND MARKS:

BML 1 through 10 inclusive

SPECIFICATIONS DESIGNATED BY LESSEE:

Cars will meet all current AAR and FRA requirements for pulpwood cars.

*When United's reporting marks are specified, this Lease is subject to the granting of all necessary consents to such use by carrier, AAR, or any other approval now or hereafter required by tariff, AAR rules, or applicable laws and regulations.

EXHIBIT "B"

Lease dated .....February 25....., 19.74....., by and between United States Railway Leasing Company ("United") and .....Belfast & Moosehead Lake RR... ("Lessee")

CERTIFICATE OF INSPECTION AND ACCEPTANCE

....., 19.....

United States Railway Leasing Company
105 West Adams Street
Chicago, Illinois 60603

Gentlemen:

The undersigned, being a duly authorized inspector for Lessee, hereby certifies that he has made an inspection of ..... (.....) Cars bearing numbers as follows:

or has, on behalf of Lessee, elected to forego such inspection all as provided in the Lease, and hereby accepts such Cars for the Lessee pursuant to the Lease; that each of said Cars is plainly marked in stencil on both sides of each car with the words:

UNITED STATES RAILWAY LEASING COMPANY
Lessor

Title to this Car subject to documents recorded
under Section 20(c) of Interstate Commerce Act.

in readily visible letters not less than three-quarters inches (¾") in height; and that each of said Cars conforms to, and fully complies with the terms of said Lease and is in condition satisfactory to the Lessee.

.....
Lessee

RIDER NUMBER 1

Rider consisting of 2 pages attached to and made a part of Lease dated February 25, 1974 by and between United States Railway Leasing Company ("United") and Belfast & Moosehead Lake RR ("Lessee").

The rental herein is based in part upon the cost of labor and delivered materials incurred by manufacturer in manufacturing the Cars. If, prior to the completion of manufacture of all the Cars, the manufacturer shall incur an increase in such costs of delivered materials and labor or both over such costs prevailing as at the date hereof, the rental provided herein shall be increased as hereinafter set forth. Any increase in the manufacturer's cost of delivered materials or labor or both for any part or all of the Cars effective after the date hereof but prior to the completion of manufacture of all Cars shall be divided by the total number of Cars and the amount so obtained shall be called the "Car Cost Increase". The rental provided in paragraph 7 shall be increased by $ 0.01248 Cost Increase and such increased rental shall be retroactively effective as to all Cars from the date hereof. As promptly as reasonably possible after completion of the manufacture of all Cars, United will notify Lessee of the Car Cost Increase and the increased rental (including basis for its computation) as well as of any amounts which are owed to United on account of the retroactive application of the increased rental to all Cars covered by the Lease. Lessee shall make payment of any rental so due with the next

monthly rental payment due under the Lease.

BELFAST AND MOOSEHEAD LAKE RAILROAD COMPANY

Lessee _____ United _____

by Herbert L. Hutchinson Jr. Pres

Vice Pres. Lake

~~15 Ewing Mtg. Lake~~