



RECORDATION NO. 12865

FEB 4 - 1981 - 11 05 AM

RAILCAR MANAGEMENT, Inc.
Suite 400
1447 Peachtree Street, N.E.
Atlanta, Georgia 30309
(404) 892-3623
TWX 810 751-8289

No. 1-12865
Date FEB 4 1981
Fee \$ 50.00
ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION January 30, 1981

Secretary of the Interstate
Commerce Commission
Washington, DC 20423

Gentlemen:

Pursuant to Section 20 C, Part I and Section 323, Part III, of the Interstate Commerce Act, we would like to submit for recordation the enclosed Lease Agreement dated October 31, 1980, between Railcar Management, Inc. and the Youngstown & Southern Railway Company. This lease initially will cover 59 XP boxcars (YS 71001 through YS 71059) which are being assigned to Georgia-Pacific.

This equipment was previously deployed pursuant to a Deployment Agreement dated May 3, 1979, between Railcar Management and the Indiana Interstate Railway Company, Inc. which was never recorded with the ICC and has subsequently been terminated.

Enclosed herewith is the original Lease and two certified true copies thereof. Attached hereto is a certificate of a notary public stating that she has compared the copy with the original document and that it is a true and correct copy in all respects. I am also enclosing the required \$50 filing fee payable to Interstate Commerce Commission.

Should there be any additional requirements in order to record this Lease, please do not hesitate to contact me.

Sincerely yours,
Wilds L. Pierce
Wilds L. Pierce
President

WLP/jb

Enclosures

RECEIVED
FEB 4 10 56 AM '81
I.C.C.
FEE OPERATION BR.

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I.C.C.
FEE OPERATION BR.

RECORDATION NO. 12865 FILED 1425

COPY

FEB 4 - 1981 - 11 05 AM

LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

AGREEMENT made and entered into this 31st day of OCTOBER, 1980, between RAILCAR MANAGEMENT, INC., a Georgia corporation acting as principal and/or agent for owners, to be identified by supplement as referred to below (hereinafter called "RAILCAR"; RAILCAR and such owners are collectively referred to as RAILCAR from time to time in this LEASE AGREEMENT, except that, as the context may require RAILCAR shall mean, with respect to any Car, the owner of said Car identified on any Schedule or Amendment hereto or RAILCAR in its management and agent capacity with respect to such Car), as Lessor, and YOUNGSTOWN & SOUTHERN RAILWAY COMPANY, together with its car hire agent if other than RAILCAR (hereinafter called "LESSEE").

RECITALS

LESSEE desires to lease from RAILCAR certain railroad cars, hereinafter specifically designated or to be specifically designated, all upon the terms and conditions set forth in this Agreement. RAILCAR INC. and GEORGIA-PACIFIC CORPORATION (hereinafter called GP) have executed and delivered that certain GP AGREEMENT pursuant to which GP has agreed to permit RAILCAR INC. to assign railroad cars to its service on the lines of the Delaware and Hudson Railway Company. RAILCAR INC. has assigned this Agreement to RAILCAR, which has assumed responsibility for managing the railroad cars covered by this Agreement.

AGREEMENT

It is agreed:

1. Deployment of Car. RAILCAR agrees to allow LESSEE to lease, and LESSEE agrees to lease, pursuant to the terms of this Agreement, a minimum of 59 XP Boxcars of the type and description set forth in any schedules executed by the parties concurrently herewith or from time to time hereafter and made a part of this Agreement. The XP Boxcars subject to this Agreement shall be leased by LESSEE exclusively for the service of GP as more fully described and referenced in the GP AGREEMENT. The word "Schedule" as used herein includes the Schedule executed concurrently herewith and all additional Schedules and amendments thereto, each of which when signed by both parties shall become a part of this Agreement, except that any Schedule may be amended by RAILCAR alone from time to time, and which upon such amendment be a part of this Agreement, in order to identify (i) the principal for whom RAILCAR is acting who owns any Cars and (ii) the Cars owned by such principal. The scheduled items of equipment are hereinafter referred to as the "Car" or "Cars."

2. Term. This Agreement shall remain in full force until it shall have been terminated as to all of the Cars as provided herein. The term of this Agreement with respect to the 59 Cars shall be for ten (10) years commencing on ~~March 31~~ ^{DECEMBER 1,} 1980. The term of this Agreement with respect to any additional Cars shall be for ten (10) years commencing upon the date of acceptance (as defined and set forth in Section 4 hereof) of the last Car.

3. LESSEE'S Fees. LESSEE and RAILCAR hereby agree that:

a. LESSEE shall receive as LESSEE'S fee from RAILCAR, a fee of \$17.50 per car per month.

b. LESSEE agrees to pay the following rent to RAILCAR for the use of the Cars:

(i) RAILCAR shall receive all payments made or due to LESSEE from other railroad companies or any other party for their use or handling of the Cars and collected by LESSEE or its collecting agent (including, if necessary, RAILCAR itself) as may be appointed by and act on behalf of LESSEE. Such payments include but are not limited to mileage charges and straight hourly car hire payments under then applicable ICC and/or AAR Car Hire provisions (all of which payments made to LESSEE are herein collectively referred to as "payments").

(ii) The rental charges payable to RAILCAR by LESSEE shall be paid from the payments received by LESSEE in the following order until RAILCAR receives the amounts due it pursuant to this Section 3(b): (1) incentive car hire payments; (2) straight car hire payments; (3) mileage charges and (4) other.

(iii) In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules--Freight and the appropriate amount due as a result thereof is received by RAILCAR, the damaged or destroyed Car will be removed from the coverage of this Agreement as of the date that car hire payments ceased.

(iv) RAILCAR shall receive all penalties and demurrage monies earned by the Cars for arbitrary days above the rate of the debit days which may be payable to LESSEE by other railroads or any other parties, and collected by the collecting agent (including, if necessary, RAILCAR itself) as may be appointed by and act on behalf of LESSEE.

(v) All right, title, and interest in and to all payments or other monies as defined herein shall remain with RAILCAR except as specifically noted in Section 3(a) herein.

4. Supply Provisions. RAILCAR will inspect each of the Cars tendered by the manufacturer for delivery to LESSEE. Such Cars will conform to the specifications as defined on their representative Schedules. Prior to such inspection, however, LESSEE will confirm in writing to RAILCAR that the sample Car, which will be made available for LESSEE'S inspection prior to the commencement of deliveries conforms to the specifications of the equipment agreed to by LESSEE and GP, defined summarily on all Schedules and in detail by attachment of the actual manufacturer's detailed specification description for said equipment to such Schedules, and incorporated by reference in the GP AGREEMENT. Thereafter, within three (3) days after RAILCAR shall give LESSEE notice that some or all Cars covered by a Schedule are ready for delivery, LESSEE may at its option have its authorized representative inspect such Cars at the point of delivery and acknowledge them as being or failing to be in compliance with the terms hereof. Cars so inspected and accepted and any Cars which LESSEE does not elect to inspect shall be conclusively deemed to meet all requirements of this Agreement and shall be conclusively deemed delivered to and accepted by LESSEE. Cars which the LESSEE'S authorized representative believes fail to comply with the terms hereof will be subject to corrective action by the manufacturer, if RAILCAR concurs with the finding of LESSEE'S authorized representative. RAILCAR reserves the right of final approval of all Cars. RAILCAR shall, as soon as possible, move the Cars to the point of first loading at no cost to LESSEE. LESSEE, in cooperation with RAILCAR and

GP, shall use its best efforts to secure the initial loading for each Car as close to the point of delivery as possible.

To insure optimal use of the Cars after the first loading of freight for each Car (the "initial loading"), RAILCAR agrees to assist LESSEE in monitoring Car movements.

Additional Cars may be leased from RAILCAR by LESSEE only upon the mutual agreement of the parties hereto. Such additional Cars shall be identified in Schedules to this Agreement and shall benefit from and be subject to this Agreement upon execution of the Schedules by RAILCAR and LESSEE. Notwithstanding the execution of any Schedules, including Schedules for additional Cars, the delivery of any Car to LESSEE shall be subject to manufacturer's delivery schedules. If, fewer than all of the Cars listed on a Schedule shall be delivered to LESSEE, the lease term shall terminate ten (10) years from the delivery date for the final Car actually delivered, as provided in this Section 4.

5. Railroad Markings and Record Keeping.

a. RAILCAR and LESSEE agree that on or before delivery of any Cars to LESSEE, said Cars will be lettered with the railroad markings of LESSEE and may also be marked with the name and/or other insignia used by LESSEE.

RAILCAR and LESSEE further agree that any Car may also be marked with the name of RAILCAR and any other information required by an owner or secured party under any financing agreement entered into by RAILCAR or an owner in connection with the acquisition of such Car. All such names and/or insignia shall comply with all applicable regulations.

b. LESSEE, with assistance from RAILCAR, shall during the term of this Agreement prepare for LESSEE'S signature and filing all documents relating to the registration, maintenance and record keeping functions involving the Cars. Such documents shall include but are not limited to the following: (i) appropriate AAR documents including an application for relief from AAR Car Service Rules 1 and 2 (if applicable); (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register (UMLER); and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies.

c. Each Car leased hereunder shall be registered by LESSEE in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. RAILCAR shall, on behalf of LESSEE, monitor the performance of all record keeping functions related to the use of the Cars by LESSEE and other railroads in accordance with AAR railroad interchange agreements and rules, such as Car Hire reconciliation. Correspondence from railroads using such Cars shall be addressed to LESSEE.

d. LESSEE, or its car hire accounting agent, as may be appointed by and acting on behalf of LESSEE (if other than RAILCAR itself), will by the first day of the third month following the end of each service month, send RAILCAR a check covering the earnings collected for the Cars during this

period. This check will be accompanied by a magnetic tape containing the following detail of the cars: (1) car hire earnings, (2) junction reports received from the AAR, (3) interchanges with LESSEE and (4) claims. LESSEE will also forward any reclaims and repair and maintenance charges it receives against these cars to Railcar who will reimburse LESSEE within 20 days of receipt of such charges.

e. All record keeping performed by RAILCAR including all of RAILCAR'S record of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by RAILCAR in a form suitable for reasonable inspection by LESSEE from time to time during regular RAILCAR business hours.

6. Possession and Use. LESSEE shall use the Cars in a careful and prudent manner in compliance with all ICC and/or AAR Interchange Rules and Regulations and in compliance with all laws and solely for the uses for which they were designed. From and after the delivery of a Car to LESSEE, so long as LESSEE shall not be in default hereunder, LESSEE shall be entitled to the use of the Cars for the full term of this Agreement. LESSEE will cooperate with RAILCAR in an effort to keep the Cars within the continental limits of the United States of America. Except for the lettering to be placed on the Cars by RAILCAR prior to delivery indicating the interest of LESSEE, RAILCAR, and any assignee, mortgagee, owner, or secured party as permitted under Section 5(a) and Section 12 hereof, no lettering or marking shall be placed upon any of the Cars by LESSEE except upon the written direction or consent of RAILCAR. LESSEE'S rights to the possession and use of the Cars shall be subject and subordinate to the rights of any owner or secured party under any financing

agreement entered into by any owner in connection with the acquisition of some or all of Cars.

7. Repair Work. Except for running repairs or as otherwise provided herein, RAILCAR shall authorize or cause to be performed all repair work. RAILCAR shall bear all cost including reclaims incidental to such repair work. LESSEE will at all times while this Agreement is in effect be responsible for the Cars while on LESSEE's railroad tracks in the same manner that LESSEE is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules - Freight for freight cars not owned by LESSEE on LESSEE's railroad tracks. RAILCAR shall have no responsibility for major repair work until informed of the need therefor. RAILCAR, at its expense, may require LESSEE to return Cars for preventive maintenance or repair work and may withdraw from this Agreement any Cars which it in its sole discretion deems uneconomical for repair work of any kind.

8. Casualty Cars. RAILCAR shall bear the risk of any Car which is lost, stolen, destroyed or damaged beyond economical repair ("Casualty Car") other than on LESSEE'S lines. LESSEE shall bear the risk of and be responsible for any Car which is lost, stolen, destroyed or damaged beyond economical repair on its lines and shall, within thirty (30) days after the occurrence of any such event, pay to RAILCAR the amount provided in the ICC and/or AAR Interchange Rules to be paid for such Casualty Car. This Agreement shall terminate as to any Casualty Car on the date on which the casualty occurred. All right, title, and interest to payments for repair work or in connection with the loss of any Casualty Car due from third parties shall be assigned to and belong to RAILCAR, and LESSEE shall cooperate with RAILCAR in the prose-

cution and collection of all claims therefore, all cost of which shall be borne by RAILCAR.

9. Liability Insurance. LESSEE shall maintain a comprehensive liability policy in effect at all times which shall be payable to LESSEE and RAILCAR as their interests may appear and which shall remain in effect at all times with limits of liability as is usual and customary for railroads but in no case less than \$1,000,000 per occurrence. LESSEE shall provide RAILCAR with evidence of an annual certificate of such insurance within thirty (30) days of the scheduled delivery of the Cars. LESSEE will require that its insurers give directly to RAILCAR at least thirty (30) days' written notice prior to any cancellation of this policy. LESSEE shall also furnish to RAILCAR each year that this Agreement is in effect a new or renewed annual certificate indicating that such insurance is in force.

10. Taxes. RAILCAR agrees to reimburse LESSEE for all taxes, assessments and other governmental charges of whatsoever kind or character paid by LESSEE relating to each Car and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to LESSEE or which may be accrued, levied, assessed or imposed during the lease term, except taxes on income imposed on LESSEE. RAILCAR shall forward to LESSEE all sales and use tax payments received by it on behalf of LESSEE. RAILCAR and LESSEE will comply with all state and local laws requiring the filing of ad valorem tax returns on the Cars. RAILCAR shall review all applicable tax returns prior to filing. All right, title and interest to all Investment Tax Credits ("ITC") pertaining to the Cars shall remain with RAILCAR; in addition,

LESSEE will take no action which may adversely effect the ability of RAILCAR to achieve the benefits anticipated as a result of utilizing such ITC.

11. Termination of Agreement. This Agreement shall terminate upon the occurrence of any of the following:

a. The expiration of its terms as set forth in Section 2 above.

b. The expiration of fifteen (15) days after RAILCAR'S providing written notice of termination to LESSEE, which notice may be given at RAILCAR'S discretion if Utilization of any group of Cars in any calendar quarter is less than 80%. For purposes of this subsection, a group of Cars shall mean Cars listed on a separate Schedule to this Agreement.

c. Immediately upon RAILCAR'S providing written notice of termination to LESSEE, which notice may be given if the Interstate Commerce Commission or AAR shall at any time (i) issue an order reducing either mileage charges, straight hourly car hire, or incentive hourly car hire (if any) for XP boxcars on an annual basis without a corresponding increase in either (ii) one of the others, or (iii) other monies available to both RAILCAR and LESSEE at least equal in amount to such reductions; (iv) determine that LESSEE may not apply any one or combination of its receipts in payment of the rental charges due RAILCAR as set forth in Section 3(b); or (v) require that LESSEE spend funds not earned by the Cars in order for LESSEE to continue to meet its obligations as set forth in this Agreement.

d. The occurrence of any event of default as defined in Section 16. Any termination allowed by (b) above shall terminate this Agreement only with respect to the Car or group of Cars which gave rise to the right to terminate. If the Car or Cars are not on the railroad line of LESSEE upon termination,

any cost of assembling, delivering, storing, and transporting such Cars to LESSEE'S railroad line or the railroad line of a subsequent LESSEE or deployer shall be borne by RAILCAR. If such Cars are on the railroad line of LESSEE upon such expiration or termination or are subsequently returned to LESSEE'S railroad line, LESSEE shall at RAILCAR'S expense within five working days remove LESSEE'S railroad markings (railroad identification stencil) from the Cars and place thereon such markings (railroad identification stencil) as may be designated by RAILCAR. After the removal and replacement of markings, LESSEE shall use its best efforts to load such Cars with freight and deliver them to a connecting carrier for shipment. LESSEE shall provide up to sixty (60) days' free storage on its railroad tracks for RAILCAR or the subsequent LESSEE or LESSEE of any terminated Car. If the terminated Car remains on tracks of LESSEE beyond said 60 day period, RAILCAR or subsequent Lessee or deployer shall pay for storage of said Cars at a rate of \$4.00 per day per Car.

12. Assignment. The right to assign this Agreement by either party and LESSEE'S and/or RAILCAR'S right to assign the benefits or delegate the duties hereunder shall exist only as follows:

a. LESSEE shall have no right to assign this Agreement or lease or loan any of the Cars without the written consent of RAILCAR.

b. RAILCAR shall have the right to assign its rights and obligations hereunder to another party and such party shall have the right to assume and perform pursuant to the terms of this Agreement all such rights and obligations, and LESSEE hereby consents to such assignment, assumption and performance. Upon such assignment to and assumption by such party, all references to RAILCAR in this Agreement shall be deemed to refer to such party

for all purposes or, as the case may be, the individual owners identified on the Schedule or Schedules and/or any amendments thereto. This Agreement and LESSEE'S rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust covering the Cars heretofore or hereafter created by RAILCAR. The making of an assignment of any kind by LESSEE or an assignment by RAILCAR shall not serve to relieve such party of any liability or undertaking hereunder, except as otherwise provided herein or unless expressly assumed in writing by such assignee.

13. Definitions. For all purposes of this Agreement, the following terms shall have the following meaning:

"Repair Work" - all repairs, maintenance, modifications, additions, or replacements required to keep Cars in good working order and condition and in compliance with all Interchange Rules, except running repairs.

"Interchange Rules" - all codes, rules, decisions, interpretations, laws and orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time during the term of this Agreement by the Association of American Railroads and any other organization, agency or governmental authority, such as but not limited to the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or authority to impose such codes, rules, decisions, interpretations, laws or orders.

"Utilization" - Utilization shall mean with respect to any period a fraction the numerator of which is (x) the aggregate number of Car Hours for which payments are earned by the LESSEE during such period, and the denomi-

nator of which is (y) the aggregate number of Car Hours during such period. For the purpose of determining Utilization, "Car Hour" shall mean one hour during which one Car is LEASED hereunder, commencing on the initial loading of such Car.

"Gross Revenues" means all revenues derived from the Cars from all sources (except for revenues from the sale of Cars) after deducting any amount repaid to railroads as a result of the over-payment of car hire fees and all reclaims for idle time. Gross Revenues during any period refers to revenues earned during such period regardless of when such revenues are received.

"ICC" means the Interstate Commerce Commission.

"Service Month" means the month in which railroads used the Car.

14. Representations, Warranties and Covenants. LESSEE represents, warrants and covenants that all of the following matters shall be true and correct at all times that any Car is subject to this Agreement:

a. LESSEE is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation and has the corporate power, authority and is duly authorized and qualified to do business wherever it transacts business and such qualification is required, and has corporate power to and has taken all corporate action necessary to enter into this Agreement and carry out its obligations hereunder;

b. This Agreement has been duly executed on behalf of LESSEE and constitutes the legal, valid and binding obligation of LESSEE enforceable in accordance with its terms;

c. No governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part of the LESSEE in

connection with this Agreement or any action contemplated on its part hereunder, nor will the execution or performance of this Agreement violate any law, judgment, order or regulation, or any indenture or agreement binding upon LESSEE; and

d. Neither LESSEE nor its counsel know of any requirements for recording, filing or depositing this Agreement other than pursuant to 49 U.S.C. Section 11303 of the Interstate Commerce Act, which is necessary to preserve or protect the title of RAILCAR or its assignee or mortgagee in the United States of America. Upon request of RAILCAR or its assignee or mortgagee at any time or times, LESSEE shall deliver to RAILCAR an opinion of its counsel addressed to RAILCAR or its assignee or mortgagee, in form and substance satisfactory to RAILCAR or its assignee or mortgagee, which opinion shall confirm the matters set forth in this Paragraph 14(a) through (d).

15. RAILCAR'S Agency Role. It is understood and agreed between the parties that RAILCAR in executing this Agreement is acting as agent for the owners of the Cars and that all references herein to RAILCAR shall be construed to bind only the owners of the Cars and not RAILCAR as a principal; provided, however, that RAILCAR shall be deemed to be a principal with respect to its agreement to act as agent for LESSEE pursuant to Section 5 herein.

16. Default.

a. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by LESSEE of any sum required herein to be paid by LESSEE within twenty (20) days after the date any such payment is due.

(ii) The breach by LESSEE of any other term, covenant, or condition of this Agreement, which is not cured within ten (10) days thereafter.

(iii) Any act of insolvency or bankruptcy by LESSEE, or the filing by LESSEE of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against LESSEE that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of LESSEE, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of filing or appointment.

(v) The subjection of any of LESSEE'S property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency.

(vi) Any action by LESSEE to discontinue rail service on all or any portion of its tracks or abandon any of its rail properties pursuant to applicable provisions of the laws of the United States of America or of any state such as to materially and adversely affect (i) LESSEE'S ability to perform under the terms of this Agreement, or (ii) the performance of the Cars hereunder.

(vii) LESSEE shall be merged with or consolidated into another corporation which after such merger or consolidation shall have a net worth less than that of LESSEE immediately prior thereto.

b. Upon the occurrence of any event of default, RAILCAR may, at its option:

(i) Terminate this Agreement and terminate LESSEE'S right of possession and use of the Cars, whereupon all right and interest of LESSEE in the Cars shall terminate and thereupon RAILCAR may enter upon any premises where the Cars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of LESSEE, provided that RAILCAR shall nevertheless have the right to recover from LESSEE any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to the date on which RAILCAR took such possession; or

(ii) Proceed by any lawful means to enforce performance by LESSEE of this Agreement. LESSEE agrees to bear the costs and expenses, incurred by RAILCAR in connection with the exercise of its remedies pursuant to this Section 16(b).

17. Flexible Per Diem.

The Interstate Commerce Commission may order, under Ex Parte 334 Sub. 4, flexible per diem car hire charges whereunder a railroad could reduce its car hire rates below the current fixed rates set by Ex Parte 334. If such flexible rates become effective, or if any other manner fixed car hire rates are abolished, in whole or in part, RAILCAR and LESSEE will monitor car supply and demand and industry trends to determine proper car hire rates for the Cars; but RAILCAR, in its sole discretion, will make all final decisions as to any downward and upward changes in the car hire charges for the Cars.

18. Miscellaneous.

a. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns to the extent permitted herein.

b. Any notice required or permitted to be given by one party to another hereunder shall be properly given when delivered personally or when made in writing, three days after having been deposited in the United States mail, registered or certified, postage prepaid, addressed to:

RAILCAR MANAGEMENT at: Suite 400
1447 Peachtree Street, N. E.
Atlanta, Georgia 30309

LESSEE at: P&LE Railroad Terminal Building
Pittsburgh, Pennsylvania 15219

or such other address as either party may from time to time designate by such notice in writing to the other.

c. LESSEE shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect RAILCAR'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 Agreement and shall promptly discharge any such lien, encumbrance or legal process. LESSEE shall take all action requested by RAILCAR to confirm RAILCAR'S interest in the Cars as agent for the owner and that LESSEE has no interest in the Cars other than pursuant to the terms of this Agreement.

d. During the continuance of this Agreement, RAILCAR 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 supply RAILCAR with such reports, including telephone reports of the Cars on LESSEE'S tracks, regarding the use of the Cars by LESSEE on its railroad line as RAILCAR may reasonably request.

e. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by RAILCAR or any owner in connection with the acquisition of the Cars in order to confirm the financing party's interest in and to the Cars, this Agreement and Schedules hereto, and to confirm the subordination provisions contained in Section 6 hereof and in furtherance of this Agreement.

f. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to LESSEE any right, title or interest in the Cars except as a lessee only.

g. No failure or delay by any party to this Agreement shall constitute a waiver or otherwise affect or impair any right, power or remedy available to such party nor shall any waiver or indulgence by such party or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

h. This Agreement shall be governed by and construed according to the laws of the State of Georgia; provided, however, that upon any assignment by RAILCAR of its rights and obligations under this Agreement to another party, this Agreement shall be governed by and construed according to the laws of the State in which such party is incorporated.

IN WITNESS, RAILCAR and LESSEE have duly executed this Agreement as of the day and year first above written.

RAILCAR MANAGEMENT, INC.
A Georgia Corporation

By: Willy L. Peim
President

Date: OCTOBER 31, 1980

ATTEST:

[Signature]
Secretary

YOUNGSTOWN & SOUTHERN
RAILWAY COMPANY

By: Gerard E. Henschel

Title: PRESIDENT

Date: NOV. 4, 1980

ATTEST:

[Signature]
Asst Secretary

EQUIPMENT SCHEDULE NO. I

RAILCAR MANAGEMENT, INC. hereby deploys the following Cars to Youngstown & Southern Railway Company, pursuant to that certain LEASE AGREEMENT dated as of OCTOBER 31, 1980.

AAR Mech. Design	Description	Numbers	Dimensions					No. of Cars
			Inside Length	Inside Width	Inside Height	Door Height	Door Width	
XP	50-ton boxcars	YS 71,001 thru YS 71,100 <i>gen</i>	50'7"	9'2"	10'5"	9'10"	10'0"	100

RAILCAR MANAGEMENT, INC.

BY: Walter L. Pieren

TITLE: President

DATE: October 31, 1980

YOUNGSTOWN & SOUTHERN RAILWAY COMPANY

BY: Robert E. Hevenschwanke

TITLE: PRESIDENT

DATE: NOV. 4, 1980

ADDENDUM TO LEASE AGREEMENT

This Addendum to the Lease Agreement by and between RAILCAR MANAGEMENT, INC. ("RAILCAR"), a Georgia corporation, acting as the agent for the owner of the cars and YOUNGSTOWN & SOUTHERN RAILWAY COMPANY ("LESSEE") dated October 31, 1980, is made and entered into this 14th day of November, 1980.

AGREEMENT

The second sentence of Paragraph 2. Term, which reads "The term of this Agreement with respect to the 59 Cars shall be for ten (10) years commencing on December 1, 1980," shall be deleted in its entirety and a new second sentence inserted in lieu thereof in Paragraph 2 to read as follows:

The term of this Agreement with respect to the 59 Cars shall commence with the service month in which the Cars are restenciled and shall remain in effect until March 31, 1990.

IN WITNESS WHEREOF the parties have executed this Addendum on the day and year first above written.

RAILCAR:

RAILCAR MANAGEMENT, INC.

By: Walter L. Pinner (CORP. SEAL)

LESSEE:

YOUNGSTOWN & SOUTHERN RAILWAY COMPANY

By: Gordon E. Neuenchwander (CORP. SEAL)

RECORDATION NO. 12865 SEC 1425

FEB 4 - 1981 - 11 05 AM

INTERSTATE COMMERCE COMMISSION

CORPORATE FORM OF ACKNOWLEDGMENT

STATE OF GEORGIA

County of Fulton

On this 30th day of January, 1981, before me personally appeared Wilds L. Pierce, to me personally known, who being by me duly sworn, says that he is the President of Railcar Management, 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 by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Wilds L. Pierce
President

Tess Cornett

My commission expires November 4, 1984

Notary Public, Georgia State at Large