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RECORDATION NO. \_\_\_\_\_ Filed 1425

ICC Washington, D. C.

APR 24 1981 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

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BY HAND

Ms. Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
12th & Constitution Avenue, N.W.  
Room 2215  
Washington, D.C. 20423

Dear Ms. Mergenovich:

I hereby transmit for filing and recordation the transmittal letter, together with the original and two counterparts of Equipment Lease No. 458 dated April 22, 1981, between Meridian and Bigbee Railroad Company, Lessee, and McDonnell Douglas Finance Corporation, Lessor. Also enclosed is the \$50.00 recordation fee.

The accompanying transmittal letter describes the equipment covered by the lease and, together with the lease agreement indicates the following names and addresses of the parties:

- Lessee: Meridian and Bigbee Railroad Company  
119 - 22nd Avenue South  
Meridian, Mississippi 39301
- Lessor: McDonnell Douglas Finance Company  
P. O. Box 580, 100 Oceangate  
Long Beach, California 90801
- Guarantor: American Can Company  
American Lane  
Greenwich, Connecticut 06830

APR 24 3 38 PM '81  
FEE OPERATION BR.

RECEIVED

Although the accompanying transmittal letter requests that the original documents be returned to Mr. Marvin Dendy, I will accept return of the original documents and on behalf of Mr. Dendy if the documents can be returned by hand to my messenger today.

Respectfully submitted,

Eugene D. Gulland

*Handwritten signature/initials on the left margin.*

**Interstate Commerce Commission**  
Washington, D.C. 20423

4/24/81

OFFICE OF THE SECRETARY

**Marvin Dendy, President**  
**Meridian & Bigbee RR Co.**  
**119 22nd Avenue South**  
**Meridian, Miss. 39301**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **4/24/81** at **3:45pm**, and assigned re-  
recording number(s). **13068**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

13068

RECORDATION NO. \_\_\_\_\_ Filed 1426

APR 24 1981 - 3 45 PM Equipment Lease No. 458

INTERSTATE COMMERCE COMMISSION  
EQUIPMENT LEASE AGREEMENT

THIS LEASE, dated as of this 22 day of April, 1981, by and between McDonnell Douglas Finance Corporation, a Delaware Corporation (hereinafter called "Lessor"), and Meridian & Bigbee Railroad Company, a Mississippi corporation (hereinafter called "Lessee"):

W I T N E S S E T H:

1. LEASE - Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to hire from Lessor the unit or units of equipment, machinery or other property (hereinafter called "equipment") described in the Individual Equipment Record (hereinafter called "IER") to be attached hereto as Exhibit "A" and made a part hereof, or any subsequent IER's which may hereafter be made a part hereof as same are executed from time to time by the parties hereto.

2. TERM - The term of the lease for each unit of the equipment shall be as set forth on the IER applicable to such equipment and shall commence for each unit or units of equipment on the date shown on the applicable IER. The word "term" as used herein shall refer to any extensions of the original term.

3. RENT - Lessee shall pay Lessor rent as stipulated in the IER, without deduction or offset, in the amounts and at the times set forth in the IER. In the event Lessee shall be in default in the payment of any sum of money to be paid under this lease agreement, the Lessee shall pay Lessor, as additional rental, to

the extent permitted by applicable law, interest on unpaid rent from a five-day grace period following its due date to date of payment at the rate of 18 percent per annum or such lesser rate as may represent the maximum permitted by applicable law. Rent shall be payable in lawful currency of the United States of America at the office of Lessor at P.O. Box 580, 100 Oceangate, Long Beach, California 90801, Attention: Controller or its assigns (or at such other place as Lessor may from time to time designate in writing).

4. TAXES AGAINST LESSOR OR EQUIPMENT - Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license and registration fees and sales, use, personal property, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever together with any penalties, fines or interest thereon (collectively, "taxes, fees or other charges") imposed against Lessor, Lessee or the equipment or any part thereof by any Federal, state or local government or taxing authority, during the term or in connection with the termination of this lease, upon or with respect to the equipment or any part thereof or upon the purchase, ownership, delivery, leasing, possession, use operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this lease (excluding, however, (i) any taxes imposed by the Federal government on, based on, or measured by, the net income of the Lessor and (ii) any income or franchise taxes imposed by any taxing authority other than the Federal government on, based on, or measured by, the net income of the

Lessor which in the aggregate do not exceed the amount of any such taxes which would be payable to the taxing authorities of the jurisdiction, other than the United States of America, in which Lessor has its principal place of business if there was no allocation or apportionment to any other taxing authority), unless, and to the extent only that, any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings. In case any report or return is required to be made with respect to any obligation of Lessee under this Section or arising out of this Section, Lessee will either make such report or return in such manner as will show the ownership of the equipment in Lessor and send a copy of such report or return to Lessor or will notify Lessor of such requirement and make such report or return in such manner as shall be satisfactory to Lessor. Anything contained in this Section to the contrary notwithstanding, if Lessor shall assign or convey its right, title and interest in and to this Lease and/or equipment, Lessee shall not be obligated to pay any taxes, levies, imposts, duties, charges or withholdings of any nature imposed against Lessor, Lessee or the equipment which would not have been imposed had such assignment or conveyance not occurred. If claim is made against Lessor for any such taxes referred to in this Section, Lessor shall promptly notify Lessee. If reasonably requested by Lessee in writing, Lessor shall, at Lessee's expense, take such action as Lessee may reasonably request with respect to such asserted liability, and if reasonably so requested by Lessee, any payment by Lessor of

such tax shall be made under protest, if protest is necessary and proper. If payment is made, Lessor shall, at Lessee's expense, take such action as Lessee may reasonably request to recover such payment and shall, if requested, permit Lessee in Lessor's name to file a claim or prosecute an action to recover such payment. All of the obligations of Lessee under this Section with respect to any taxes, fees, or other charges (together with any penalties, fines or interest thereon) imposed or accrued before the expiration or other termination of this lease shall continue in full force and effect notwithstanding such expiration or other termination and are expressly made for the benefit of, and shall be enforceable by, Lessor.

5. LESSEE'S FAILURE TO PAY TAXES, INSURANCE, ETC. - Should Lessee fail after 15 days' prior notice from Lessor to make any payment or do any act as herein provided, then Lessor shall have the right, but not the obligation, without further notice to or demand upon Lessee, and without releasing Lessee from any obligation hereunder, to make or do the same, and to pay, purchase, contest or compromise any encumbrance, charge or lien which in Lessor's judgment appears to affect the equipment, and in exercising any such rights, incur any liability and expend whatever amounts in its reasonable discretion it reasonably deems necessary therefor. Notwithstanding the foregoing sentence, no notice shall be required in the event Lessor believes, in its reasonable business judgment, any such actions must be taken in a period shorter than 15 days in order to preserve Lessor's interest in the Equipment. All sums so incurred or expended by

Lessor shall be upon written notice immediately due and payable by Lessee and shall bear interest at 18% percent per annum or such lesser rate as may be permitted by applicable law.

6. USE - Lessee shall use, operate, maintain and store the equipment in a careful and proper manner and shall comply with all laws, ordinances and regulations in any way relating to the possession, use, operation or maintenance of the equipment. Lessee warrants and agrees that the equipment will at all times be used, maintained and operated under and in compliance in all material respects with the laws of the jurisdictions in which the equipment may be located and operated, the Interchange Rules of the Association of American Railroads, if applicable, and materially in compliance with all applicable, laws, ordinances, rules, regulations, requirements and orders of any judicial, legislative or regulatory body having power to regulate or supervise the use of the equipment including, but not limited to, the rules and regulations of the United States Department of Transportation and the Interstate Commerce Commission and the current Interchange Rules, or supplements thereto, of the Mechanical Division, Association of American Railroads. Lessee will not permit the assignment of any equipment to service involving the regular operation and maintenance thereof outside of the United States of America. Lessee shall not permit any liens, charges or encumbrances to be placed on or levied against the equipment other than liens, charges or encumbrances placed thereon by Lessor. Lessee agrees to procure and maintain in effect all licenses, certificates, permits and other approvals

and consents required by federal, state, county, municipal or foreign laws and regulations in connection with the possession, use, operation and maintenance of the equipment. Except as otherwise provided herein Lessee shall not transfer possession of the equipment in any manner whatsoever without Lessor's prior written consent (which shall not be unreasonably withheld). Upon written demand by Lessor, Lessee shall use its best efforts to give Lessor written notice of exact location of the equipment.

7. IDENTIFICATION MARKS - Lessee, at Lessee's expense, shall cause each unit of equipment to be kept numbered with its road number as set forth in the IER with respect thereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each unit of equipment in letters not less than one inch in height as follows:

"Ownership subject to a Security Agreement filed under the Interstate Commerce Act"

with appropriate changes thereof and additions thereto as from time to time may be required by law or by Lessor in order to protect the title of the Lessor to such unit of equipment, its rights under this lease and the rights of any assignee of Lessor hereof. The Lessee will not place any such unit of equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any

unit of equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this lease shall have been filed, recorded or deposited.

Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on the equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the equipment to be lettered with the names or initials or other insignia customarily used by Lessee or any sublessee on railroad equipment used by them of the same or a similar type for convenience of identification. Lessee shall indemnify Lessor, and any assignee of Lessor hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the equipment with such name, initials or insignia.

8. ALTERATIONS - Lessee shall not make any alterations, additions or improvements to the equipment without the prior written consent of Lessor (which shall not unreasonably be withheld), unless it is required pursuant to applicable law, regulation or rule or in order to comply with the maintenance provisions of Section 9 hereof. All such alterations, additions or improvements required as compliance with governmental laws and regulations shall become the property of Lessor, shall be free of all encumbrances, and for which Lessee shall provide a bill of sale to Lessor if required by Lessor. The Lessee shall make no

other additions or improvements to the equipment unless the same are readily removable without causing material damage to such equipment. Title to such readily removable additions or improvements shall remain with the Lessee. The equipment shall remain personal property regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property of any improvement thereon.

9. MAINTENANCE AND REPAIR - Lessee, at its sole cost and expense shall (i) keep or cause to be kept the equipment in good operating order, repair, condition and appearance and shall furnish or cause to be furnished any and all parts, mechanisms or devices required to keep the equipment in good mechanical and working order; (ii) maintain or cause to be maintained the equipment in a careful and proper manner and in compliance in all material respects with all applicable laws, ordinances, rules, requirements and regulations including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the equipment and the current Interchange Rules, or supplements thereto, of the Mechanical Division, Association of American Railroads and all manufacturer's instructions and warranty requirements; and (iii) pay or cause to be paid for all fuel, service, inspections, overhauls, replacements, substitutions, materials and labor necessary or desirable for the proper use, repair, operation and maintenance of the equipment.

10. DELIVERY INSPECTION; ACCEPTANCE - Prior to execution of the IER, Lessee shall have made all necessary inspections and tests of the equipment referred to therein at Lessee's sole expense, to determine whether the equipment conforms to the specifications selected by Lessee. If the equipment is found to be acceptable, by Lessee, Lessee shall accept delivery of such equipment and execute and deliver to Lessor an IER stating that such equipment has been inspected and accepted by Lessee on the date of such IER and is marked in accordance with Section 7 hereof, whereupon such equipment shall be deemed to have been delivered and accepted by Lessee and shall be subject thereafter to all the terms and conditions of the Lease. Lessee shall advise Lessor in writing at the time of execution of the IER, of any defect or objection to the type or condition of the equipment of which it is aware. Lessee's failure to advise Lessor of any defect or objection with respect to any item of equipment shall not establish the absence of any such defect in any equipment insofar as the manufacturer or supplier thereof is concerned. As between Lessor and Lessee, upon execution of the IER by Lessee, the equipment shall be deemed to conform to Lessee's specifications, shall be deemed to conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all applicable interchange requirements of the Association of American Railroads and shall be deemed to be in good condition and without defects. Lessee shall indemnify, exonerate and save harmless Lessor from all claims, damages, actions, expenses

(including reasonable attorneys' fees), and liabilities of any kind arising out of or connected with the failure or refusal of Lessee to accept, or the delay of Lessee in accepting the equipment except as a result of acts or omissions of Lessor.

11. INSPECTION; LESSEE REPORTS - Lessor, upon 10 days' prior written notice to Lessee, shall have the right to enter the premises where the equipment may be located during normal business hours for the purpose of inspecting and examining the equipment, its condition, use, and operation to ensure compliance by Lessee with its obligations under this Lease. Notwithstanding the foregoing Lessor shall have no duty to inspect or examine and shall not incur any liability or obligation by reason of not making any such inspection or examination.

To the extent Lessee becomes aware of such, Lessee shall immediately notify Lessor of any accident involving damages or claims of any kind (including personal injury claims) in excess of \$30,000 connected with the use, operation or malfunction of the equipment, including in such report the time, place and nature of the accident, the damage caused to property, the names and addresses of persons injured and of witnesses, and such other information as may be pertinent to Lessor's investigation of such accident.

To the extent Lessee becomes aware of such, Lessee shall notify Lessor in writing ten (10) days after any attachment, tax lien or other judicial process shall attach to any item of equipment. Lessee shall, as soon as practicable after the close of each fiscal year of Lessee, furnish to Lessor copies of

Lessee's financial reports prepared by it as of the close of the period ended, including Lessee's balance sheet and profit and loss statement. Further, Lessee agrees to furnish Lessor from time to time such other information as Lessor may reasonably request.

12. WARRANTIES - LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

Lessee hereby waives any claim it might have against Lessor for any loss, damage or expense caused by the equipment or by any defect therein, use or maintenance thereof or servicing or adjustment thereto except if caused by Lessor's negligence.

During the period of any lease hereunder in which Lessee is not in default of its obligations, Lessor hereby assigns to Lessee to the extent assignable, any manufacturer or dealer warranty, whether express or implied, on the equipment covered by any lease hereunder. All claims or actions on any warranty which can be so assigned shall be made or prosecuted by Lessee, at its sole expense and Lessor shall have no obligation whatsoever to make

any claim on such warranty. Provided no Event of Default has occurred, any recovery under such a warranty shall be payable to Lessee. If any such manufacturer's or dealer's warranties are not capable of being assigned, then Lessor agrees to assert any claim, as promptly as reasonably possible and on behalf of Lessee, which is valid without such warranty and to which Lessee has given Lessor prior written notice thereof; which notice shall include all information which Lessor deems necessary to proceed. Lessee agrees to indemnify, hold harmless and reimburse Lessor for any and all claims, liabilities asserted against and expenses incurred by Lessor in connection with the valuation and/or assertion of any such claim. Lessor further authorizes Lessee to obtain whatever service to the Equipment the manufacturer customarily renders provided that no such service shall be at the expense of Lessor.

13. INSURANCE - "Stipulated Loss Value" as of any date of computation is the product of that percentage of original cost set forth in the IER opposite that rental payment last received by Lessor times the Equipment Cost set forth in the IER. Simultaneously with the execution of the IER by Lessee, Lessee at its own expense shall maintain all risk physical loss insurance on the equipment as set forth in the IER pertaining thereto for the Stipulated Loss Value, and will maintain public liability and property damage insurance with respect to the equipment as set forth in the IER. Said insurance shall not be excess over other coverage but shall be primary insurance up to and including the stated policy limits. Except as otherwise provided in any IER,

all such insurance shall name Lessor and Lessee as insureds, shall be in amounts and with companies approved by Lessor. Said policies shall provide that they may not be altered or canceled by the insurer without thirty (30) days' written notice to Lessor. Provided no Event of Default has occurred, losses shall be adjusted only with and paid to, Lessee. Said insurance shall be satisfactory to Lessor and shall contain such endorsements as may be reasonably requested by Lessor. Lessee's obligation to keep the equipment insured as provided herein shall continue until said equipment is returned to Lessor.

Lessee shall furnish Lessor with all insurance policies, endorsements or renewals applicable to the equipment as soon as they become available to Lessee.

14. RISK, EVENT OF LOSS, CONDEMNATION

(a) RISK: Commencing at such time as Lessee executes the IER and continuing until the termination of this lease and the return by Lessee of the equipment to Lessor in accordance with the provisions hereof, Lessee assumes the entire risk of any Event of Loss as defined below or any liability of Lessor from any cause whatsoever arising under this Lease except arising from Lessor's negligence and no such Event of Loss or liability shall relieve Lessee of its obligations hereunder.

(b) DEFINITION - EVENT OF LOSS: For purpose of this Section, an Event of Loss with respect to any unit of equipment shall mean any of the following events with respect to such equipment: (i) the actual or constructive total loss of such equipment; (ii) such equipment shall become lost, stolen,

destroyed, damaged beyond economic repair as determined by Lessee or permanently rendered unfit for intended use for any reason whatsoever; or (iii) the condemnation, confiscation or seizure of, or requisition of title to or use of such equipment.

(c) DEPRIVATION CONSTITUTING AN EVENT OF LOSS: Upon the occurrence of an Event of Loss, Lessee shall pay or cause to be paid upon written demand within thirty (30) days of such Event of Loss in lawful currency of the United States of America: (i) The Stipulated Loss Value computed as of the date of such Event of Loss, (ii) interest on the unpaid balance of said amount at 18% percent per annum or such lesser rate as may be permitted by applicable law from the date of such Event of Loss to the date of receipt, and (iii) all other unpaid amounts due hereunder. At such time as Lessor has received the sum of (i), (ii), and (iii) above, the obligation of Lessee to pay rent hereunder with respect to such unit of equipment shall terminate and Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest, if any in and to the equipment with respect to which such Event of Loss occurred.

(d) DEPRIVATION NOT CONSTITUTING AN EVENT OF LOSS: In the event of damage of any unit of equipment not constituting an Event of Loss, Lessee shall promptly notify Lessor in writing of such damage, and shall remain obligated to make all payments of rent for the equipment which may become due hereunder in the same manner as if such damage had not occurred. Lessee shall repair and restore or cause to be repaired and restored such equipment to the condition it was in immediately prior to the occurrence

which gave rise to such payment. So long as no Event of Default shall have occurred and be continuing, all payments from insurance proceeds or otherwise with respect to any such damage shall be paid over to Lessee upon receipt of satisfactory evidence by Lessor that Lessee has repaired or contracted to repair such equipment. Should an Event of Default have occurred and be continuing, all such payments shall be paid over to and retained by Lessor.

(e) APPLICATION OF PAYMENTS: Upon the occurrence of any Event of Loss, Lessor shall be entitled to and shall receive the entire award, judgment, settlement, insurance proceeds or payments and all installments thereof to the extent of Lessee's obligations under 14(c) hereof, Lessee hereby assigns to Lessor any right or interest Lessee may have or may hereafter acquire in any such award or payment to the extent of such obligations.

15. INDEMNITY - Lessee agrees to defend at its own cost and to indemnify and hold harmless Lessor, its agents and employees, from and against any and all loss, claims, patent infringements, costs, expenses, damage and liabilities (including strict and absolute liability in tort) together with reasonable attorneys' fees, however caused, resulting directly or indirectly in any manner from the issuance of Lessor's purchase order, if any, assignment of Lessee's purchase order, if any, delivery, lease, possession, return, disposition or directly or indirectly from or pertaining to the use, condition (including without limitation latent or other defects whether or not discoverable) or operation of the equipment or the performance of this lease (including

without limitation such loss, claims, costs, expenses, damages and liabilities arising from the death or injury to agents or employees of Lessee or Lessor or any third person, or damage to the property of Lessee or Lessor, their agents or employees, or any third person, firm or corporation) except for such damages, losses, expenses or liabilities arising out of the negligence or willful misconduct of Lessor, its agent or employees. This indemnification shall survive the expiration or other termination of this lease for the benefit of and enforceable by the Lessor.

16. RETURN OF EQUIPMENT - Upon the expiration or earlier termination of any IER hereunder, Lessee, at its expense, shall deliver each unit of equipment to Lessor or its designee, or to a subsequent lessee at such storage or terminal facility within the Continental United States as Lessor may designate by written notice to Lessee. Upon delivery to such facility such equipment shall be deemed returned to Lessor. At the time of delivery, each item of equipment shall be empty, free from residue, and free from any rust and corrosion which measurably impairs the value of any unit of the equipment, mechanically and structurally sound with no missing or damaged parts and the same good order and condition as when delivered to Lessee hereunder (normal wear and tear excepted), and in the condition and repair required according to the Interchange Rules of the Association of American Railroads. Lessee shall, on demand, reimburse Lessor for the expense of cleaning any item of equipment that contains residue and for such other costs which may be incurred to place such item of equipment in the condition described above. If requested by

Lessor, Lessee shall provide Lessor with free storage of the equipment, upon suitable storage tracks, for up to 60 days. All such movement and storage of each such unit of equipment (subsequent to the expiration or termination of this Lease) is to be at the risk and expense of the Lessor. During any storage period, Lessee will permit or arrange permission for Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such unit of equipment to inspect the same.

If any unit of equipment is not redelivered to Lessor or not delivered to a subsequent lessee on or before the date on which the term ends, or in the event that a unit of equipment so delivered is not in the condition required by this Section 16, Lessee shall pay rental for each day that such unit of equipment is not delivered as required herein or until such unit of equipment is delivered in the condition required, at the rental rate required under this lease prorated on a daily basis. Lessee shall pay Lessor on or before the last day of each month the amount Lessee is obligated to pay to Lessor for such month under this Section. In addition to any other indemnity provided herein and any payments to be made to Lessor hereunder, Lessee shall also indemnify and hold Lessor harmless from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, including those asserted by a subsequent lessee, arising out of or as a result of such late delivery or failure to deliver in the condition required except arising out of Lessor's negligence.

17. DEFAULTS, REMEDIES, DAMAGES

(a) Defaults: The following events shall constitute Events of Default:

(1) Lessee shall fail to make any payment to Lessor when due under this lease and such failure to pay shall continue for a period of fifteen (15) or more days after notice of such failure; or

(2) There shall occur any termination of, material alteration in the scope of the coverage of, or reduction in the maximum amounts payable under any insurance maintained by Lessee pursuant to this lease; or

(3) Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of thirty (30) days after written notice thereof by Lessor; or

(4) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith shall prove to be incorrect at any time in any material respect; or

(5) Any aggregate obligations of Lessee and its subsidiaries for the payment of borrowed money, for the deferred purchase price of property or for the payment of rent or hire under any lease aggregating \$5 million shall not be paid when due, whether by acceleration or otherwise; or

(6) Lessee shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the

appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed within a period of sixty (60) days; or bankruptcy, reorganization, or insolvency proceedings shall be instituted by or against Lessee, and, if instituted against Lessee, shall not be dismissed within a period of sixty (60) days.

(b) Remedies: Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor, at its option, may do one or more of the following with respect to any or all equipment.

(1) Proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this lease and to recover damages for the breach thereof;

(2) Repossess with notice and sue for the rentals due hereunder as they accrue without notice and at Lessee's costs and expenses;

(3) Repossess with notice and sell, relet, use, hold or otherwise dispose of the equipment;

(4) Without repossessing, declare all unpaid rentals immediately due and payable;

(5) Repossess and terminate the lease.

Notwithstanding the foregoing and provided Lessee pays to Lessor the damages described below, Lessee shall have no obligation to pay rent which accrues subsequent to repossession of the equipment; and Lessor agrees to exercise its best efforts

to re-let or resell the equipment as promptly as Lessor, in its business judgment, deems it advisable to re-let or resell the equipment.

(c) Damages: Lessor and Lessee agree that the measure of damages is impossible to determine in the absence of prior agreement. Therefore, the parties agree that as damages for the loss of a bargain and not as a penalty in the case of sale or reletting after repossession Lessor shall be entitled to:

(i) Sale: Where a sale has occurred, the deficiency between the Net Proceeds of Sale and the Stipulated Loss Value at the time of sale. Where a sale has not yet occurred, the excess of the Stipulated Loss Value at the time of determination over the Fair Market Sales Value.

(ii) Reletting: Where a reletting has occurred, the deficiency between the aggregate rentals due under the reletting discounted at Prime and the greater of (a) the Stipulated Loss Value at reletting, or (b) the aggregate unpaid lease rentals discounted at Prime. Where a reletting has not yet occurred, the deficiency between the Aggregate Fair Market Rental Value discounted at Prime and the greater of (a) the Stipulated Loss Value at time of determination, or (b) aggregate unpaid lease rentals dicounted at Prime. Lessee may recommend a subsequent lessee to Lessor.

(iii) In addition to that set out in (i) and (ii), Lessor shall be entitled to: (a) the unpaid rent from default until sale, reletting or determination by Lessor of damages, and (b) interest on all amounts due including rent and damages from

date due until payment at the rate of 18% per annum or such lesser sum as may represent the maximum permitted by applicable law.

For purposes of this Section the following definitions apply:

(1) Discounted: Reduction to present value as of the date of sale, reletting or determination of damages, whichever is applicable, at the stated interest rate and at a frequency equal to the frequency of rental payments under this lease.

(2) Aggregate Fair Market Rental or Aggregate Fair Market Sales Value: A value determined by a nationally recognized independent appraiser selected by Lessor, and reasonably acceptable to Lessee.

(3) Net Proceeds of Sale: The gross consideration received by Lessor less all expenses associated directly or indirectly with sale including but not limited to refurbishing, repair, advertising, freights, financing costs.

(4) Prime: Best rate then charged by The Chase Manhattan Bank of New York for 90-day loans to substantial commercial borrowers.

(d) Each and every power and remedy herein specifically given to Lessor, shall be in addition to every other power and remedy specifically so given or now or hereafter existing in law or in equity, and each and every power or remedy may be exercised from time to time or simultaneously and so often and in such order as may be deemed expedient by Lessor. All such powers and

remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Lessor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. In the event that Lessor shall bring any suit or action to enforce any of its rights hereunder, then in such suit or action Lessor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

Lessee hereby appoints Lessor, Lessee's irrevocable agent and attorney-in-fact to execute all documents deemed necessary to release, terminate and void Lessee's interest in any equipment leased hereunder and to file said documents for recordation with appropriate agencies provided that (i) an Event of Default has occurred, (ii) Lessee has refused for a period of no less than ten days to execute such documents, and (iii) Lessor in its discretion deems use of this agency necessary to effect any remedy Lessor chooses to take.

18. ASSIGNMENT BY LESSEE Except as otherwise provided herein, Lessee shall not transfer, assign, pledge or hypothecate this lease, the equipment or any part thereof or any interest therein, without the prior written consent of Lessor (which shall not be unreasonably withheld). So long as no Event of Default has occurred and is continuing, Lessee shall be entitled to the quiet enjoyment of the equipment free from claims of Lessor or those claiming through Lessor and shall also be entitled (i) to

Corporation, and (ii) assumes all of Lessee's obligations hereunder, provided, however, Lessee shall give Lessor at least 21 days' prior written notice of any proposed new lessee; provided further, however, Lessor may object to such transfer if in its sole reasonable business judgment such credit rating does not accurately reflect the financial status of the proposed lessee, in which event Lessor shall send such objection, in writing, to Lessee promptly after receipt of such notice of proposed transfer. If Lessor does so object, such transfer shall not release Lessee from any of its obligations hereunder. Unless such objection is sent by Lessor and received by Lessee within 21 days of the date of receipt by Lessor of the notice of proposed transfer referred to above, the transfer may occur at any time after such 21-day period has expired; and Lessee shall not be liable for any amounts becoming due hereunder or other liabilities hereunder maturing subsequent to such transfer.

19. ASSIGNMENT BY LESSOR - Lessor may assign, pledge or in any other way transfer this lease either in whole or in part, or any interest therein without notice to Lessee and Lessee shall execute such consents thereto as may reasonably be required by Lessor. Should this lease or any interest therein be assigned or should the rentals hereunder be assigned, no breach or default by Lessor of this lease or any other agreement between Lessee and Lessor shall excuse performance by Lessee of any provision hereof, and no assignee shall be obligated to perform any covenant, condition or obligation required to be performed by Lessor hereunder. Lessee's and Lessor's obligations under this

deduction to Lessee and shall have no responsibility to Lessee with respect to any loss arising out of the unavailability thereof to Lessee.

32. RIGHT OF TERMINATION - Subject to compliance with all the conditions of this paragraph, and so long as no Event of Default (or event which, with notice or passage of time, or both, would constitute an Event of Default) shall have occurred and be continuing, Lessee shall have the right to terminate this Lease as to all, but not less than all, the equipment on no less than 180 days' prior written notice to Lessor specifying a proposed date of termination (which date shall be a date on which an installment of rent is due and payable), provided, however, that such right of termination shall be subject to Lessee having made a good faith determination that the equipment has become obsolete or surplus to its requirements.

During the period from the giving of notice of termination until the date of termination specified therein, Lessee shall use its best efforts to obtain bids for Lessor for the cash purchase of the equipment. In the event either party receives any bid, such party shall immediately, but in no event less than fifteen business days prior to the proposed date of sale (which shall be the date of termination) certify to the other party in writing the amount of such bid, and the name and address of the person or entity (who shall not be Lessee or any person, firm or corporation related to, or affiliated with Lessee) submitting such bid. Lessee shall deliver the equipment in accordance with Section 16 hereof to the bidder, if any, which shall have

*Handwritten initials/signature*

Lease shall in no way be affected by any such assignment. The right of such assignee to receive the rentals or to receive the equipment upon termination of the lease shall be free of all defenses, setoffs and counterclaims which Lessee might now or hereafter be entitled to assert against Lessor.

20. OWNERSHIP BY LESSOR - The equipment is and shall at all times remain the sole and exclusive property of Lessor. The only interest Lessee shall have in the equipment is that of a Lessee hereunder.

21. SUSPENSION OF OBLIGATIONS OF LESSOR - The obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from complying therewith because of labor disturbances, including strikes and lockouts, acts of God, fires, storms, accidents, governmental regulations or interference or any cause whatsoever beyond the control of Lessor.

22. PROHIBITION AGAINST SETOFF, COUNTERCLAIM, ETC. - Lessee's obligation to pay all amounts due hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation (i) any setoff, counterclaim, defense, or other right which Lessee may have against Lessor, (ii) any defect in the condition, design, operation or fitness for use of, or any damage to or loss or destruction of, the equipment, or any interruption or cessation in the use of possession thereof by Lessee for any reason whatsoever (except as set forth in Section 18), or (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee.

Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this lease.

Each rent payment made by Lessee shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

23. REPRESENTATION, WARRANTIES AND COVENANTS OF LESSEE -

Lessee represents, warrants and covenants: (i) that it is a duly organized corporation with necessary power and qualifications to do business and to perform this lease and any exhibits thereto; (ii) that this lease and the Purchase <sup>Order</sup> ~~Agreement~~ Assignment dated as of the date hereof between Lessor and Lessee (the "Purchase <sup>Order</sup> ~~Agreement~~ Assignment") have been duly authorized by all necessary corporate action and will not contravene or breach any law, rule or regulation binding upon Lessee; (iii) that this Lease and the Purchase <sup>Order</sup> ~~Agreement~~ Assignment constitutes binding obligations of the Lessee enforceable in accordance with their respective terms; (iv) that to the best of Lessee's knowledge there are no suits or proceedings pending or threatened which may have a material adverse effect on Lessee's financial condition or business; (v) that no mortgage, deed of trust, charter, lien or other security interest of any type, will be attached to the equipment; (vi) the execution and delivery of this Lease and all documents entered into in connection with this lease have been duly authorized by all necessary corporate or other action and, except as provided under Section 11303 of the Revised Interstate Commerce Act, do

not require the consent, approval or withholding of objection by any person, party or governmental agency and this lease and such other documents constitute legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their respective terms; (vii) that Lessee will file and record this lease with the Interstate Commerce Commission pursuant to Section 11303 of the Revised Interstate Commerce Act; (viii) that, no other filing, recording or depositing or, any notice thereof is necessary to protect the Lessor's title to the equipment in the United States of America; and (ix) that if and when it is contemplated that any unit of equipment may for any period enter or be transported to Canada, prior to the physical entry of any unit of equipment into Canada all applicable laws of Canada (and of the United States) will be fully complied with by Lessee, including, without limitation, all filing and recording requirements necessary to protect the Lessor's title to the equipment.

24. ATTORNEYS' FEES - In the event of any action at law or suit in equity in relation to this lease, Lessee, in addition to all other sums which Lessee may be called upon to pay, will pay to Lessor a reasonable sum for its attorneys' fees.

25. NOTICES - All notices required under the terms and provisions hereof shall be in writing and addressed (i) to Lessee:

Meridian & Bigbee Railroad Company

119 22nd Avenue South

Meridian, Mississippi 39301

Attention: President

With a copy to: American Can Company  
American Lane  
Greenwich, Connecticut 06830  
Attention: General Counsel

at such other address as Lessee shall from time to time designate in writing to Lessor, or (ii) if to Lessor: McDonnell Douglas Finance Corporation, Attention: President, at P. O. Box 580, 100 Oceangate, Long Beach, California 90801, or at such other address as Lessor shall from time to time designate in writing to Lessee.

26. CONDITIONS PRECEDENT - As conditions precedent to Lessor's duties under this lease, Lessee shall furnish Lessor on or before the delivery of this lease the following: (a) an opinion of counsel with respect to the matters set out above in Section 23 (i) through (vi) inclusive, and (viii), (b) certified copies of necessary resolutions and other documents authorizing this lease and the Purchase Order Assignment and Lessee's performance hereunder, and thereunder and (c) such other documents as Lessor may reasonably require.

27. APPLICABLE LAW, MODIFICATIONS - This lease shall be governed by and construed according to the laws of the State of California. The terms hereof shall not be waived, varied, contradicted, explained, amended or changes in any other manner except by an instrument in writing of even or subsequent date hereto, executed by both parties.

28. RECORDING, REGISTRATION AND FILING - The Lessee agrees and covenants that prior to the delivery and acceptance of the

first unit of equipment, Lessee will, at its sole expense, cause this lease to be duly filed, registered or recorded in conformity with Section 11303 of the Revised Interstate Commerce Act and in other such places within or without the United States required by law or as Lessor may reasonably request and will furnish the Lessor proof of such filing, registration or recordation. In addition, Lessee will, if requested by Lessor, at Lessee's cost and expense, do and perform any other act and will execute, acknowledge, deliver, file and register, record and deposit and will re-file this lease as required by law in the United States or requested by Lessor (or any assignee of Lessor) including without limitation, financing statements under the Uniform Commercial Code (which Lessor shall have the right to file wherever and whenever Lessor requires), for the purpose of proper protection to the satisfaction of Lessor, (and/or of Lessor's assignee) of Lessor's title to any equipment (and/or of Lessor's assignee's, if any, in any of the equipment) or for the purpose of carrying out the intention of this lease and in connection with any such action will deliver to Lessor proof of such filings. ~~and an opinion of counsel that such action has been properly taken.~~

30. TIME - Time is of the essence hereof.

31. PASS-THROUGH OF TAX BENEFITS - Lessor will not claim the investment tax credit and depreciation deduction and will make the election to "pass through" the investment tax credit to Lessee. Lessor makes no representation or warranty as to the availability of such investment tax credit or depreciation

submitted such highest bid no later than the date of termination, and Lessor shall, on an "as is" basis and without recourse or warranty simultaneously therewith sell such equipment for cash to such bidder, provided Lessee pays to Lessor the amount, if any, required by the following paragraph.

The total selling price realized at such sale shall be retained by Lessor and, in addition, on the date of such sale, Lessee shall pay to Lessor, in immediately available funds, the difference between (A) the sum of accrued and unpaid rent to and including the date of termination, any other obligations owed by Lessee to Lessor, and the Stipulated Loss Value for the equipment computed as of such date, less (B) the sale price of the equipment received by Lessor after deducting the costs, expenses and taxes, if any, incurred in connection with such sale.

In the event this sale is not consummated for any reason, or no prospective purchaser is obtained by Lessee or Lessor, this Lease shall be and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed by their duly authorized officers on the day and year first written above.

LESSOR:

MCDONNELL DOUGLAS FINANCE  
CORPORATION

By: Thomas J. Landry

Title: Senior Vice President

LESSEE:

MERIDIAN & BIGBEE RAILROAD  
COMPANY

By: Merrill V. Bendy

Title: President

ATTEST:

By: *S. Griffith*  
Title: Assistant Secretary

SEAL

ATTEST:

By: *B. W. Harris*  
Title: Transcriber

SEAL

STATE OF MISSISSIPPI  
COUNTY OF *Hinds* }

SS

On this 22 day of April , 1981, before me  
personally appeared Marvin Dendy

, to me personally known, who, being by me duly  
sworn, says that he is President

of Meridian and Bigbee Railroad Company

, that one of the seals 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.

*Cindy H Burch*

Notary Public

(Notarial Seal)

My Commission expires 9/22/82

STATE OF *California* )  
COUNTY OF *Los Angeles* ) SS

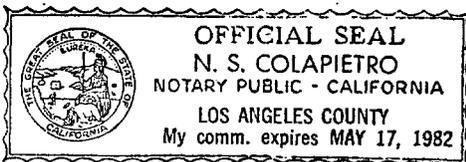
On this *23d* day of *April*, 1981, before me personally appeared *Thomas J. Lawlor, Jr.*

, to me personally known, who, being by me duly sworn, says that he is *Senior Vice President of McDonnell Douglas Finance Corporation*, that one of the seals 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.

  
Notary Public

(Notarial Seal)

My Commission expires *May 17, 1982*



Lease Addendum No. 1

In connection with that certain Lease Agreement dated as of the date hereof (the "Lease") between McDONNELL DOUGLAS FINANCE CORPORATION as Lessor (the "Lessor") and MERIDIAN & BIGBEE RAILROAD COMPANY ("Lessee") covering certain items of equipment ("Equipment") more fully described in the Individual Equipment Records ("IER") identified as Exhibit "A" thereto it is agreed that upon execution by the parties hereto, this Lease Addendum No. 1 shall constitute a part of said Lease.

except in connection with the assignment of the Lease as provided therein

Lessee is hereby granted an option, which option shall not be assignable, to purchase AS-IS-WHERE-IS all, but not less than all, of the Equipment covered by said Lease, at the expiration of the term of each of said IER's to said Lease, for an amount equal to thirty percent (30%) of the purchase price paid by Lessor for such Equipment as set forth in the IER for such Equipment (said amount is herein referred to as the "Option Price").

The exercise of said option is conditioned upon: (a) performance of all of the terms and conditions of said Lease and all IER's thereto, and of all other agreements between Lessor and Lessee, at the time and in the manner required therein and no event which with due notice and/or lapse of time would constitute an event of default shall have occurred and be continuing under the Lease or any of the IER's executed pursuant to said Lease or any other such agreement; (b) Lessor's receipt of written notice of the election to exercise said option at least one hundred twenty days prior to the date upon which the original term of the first IER of said Lease expires; and (c) payment to Lessor of said Option Price as set forth above, together with all taxes on or measured by such Option Price.

By Lessee's purchase of the Equipment covered by the first IER entered into pursuant to said Lease, Lessee agrees that it shall thereafter purchase, upon the terms and conditions set forth herein the remainder of the Equipment covered by said Lease.

Unless Lessee has purchased the Equipment as set forth above, all the Equipment then leased shall be returned pursuant to Section 16 of the Lease.

McDONNELL DOUGLAS FINANCE CORPORATION

By: Thomas J. Lavelle  
Its: Senior Vice President

MERIDIAN & BIGBEE RAILROAD COMPANY

By: Marvin W. Sandy  
Its: President

EXHIBIT "A" TO EQUIPMENT LEASE AGREEMENT

**Lessee Copy**

**INDIVIDUAL EQUIPMENT RECORD**

IER NO. 458-001

Dated as of April 22, 1981 to that Equipment Lease Agreement dated as of April 22, 1981

**LESSOR:**                   McDonnell Douglas Finance Corporation  
~~3855 Lakewood Boulevard~~                   P.O. BOX 580  
~~Long Beach, California 90846~~               LONG BEACH, CA 90801  
~~Attention: 18A-34~~                               WELLS FARGO BLDG.

**LESSEE:**                   Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

**LOCATION OF EQUIPMENT:** Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

**ACCEPTANCE DATE:**

New <u>  X  </u> Used _____	Purchase Order No. _____	Term: <u>12</u> year(s) <u>48</u> <sup>Quarters</sup> -month(s) Commencing _____	Security Deposit: \$ <u>None</u>
--------------------------------	-----------------------------	---	-------------------------------------

Tax Capitalized or <u>Exempt</u> Tax Based on Rentals Remit with each Payment	<input checked="" type="checkbox"/> <b>INSURANCE REQUIREMENTS: ALL RISK: Stipulated loss value.</b> <input type="checkbox"/> <b>LIABILITY: Bodily Injury Liability \$1,000,000 per person/\$1,000,000 per accident; Property Damage Liability \$1,000,000</b>
---	--

**RENTAL:** \$ N/A payable upon execution of this IER, to be applied to the N/A rental installment. Payment of the 1st through 48th rental installments shall commence on July and shall continue Quarterly thereafter on the \_\_\_\_\_ day of each Oct., Jan, & Apr., with each such rental installment to be in the amount of \$ 2,977.83

EQUIPMENT DESCRIPTION AND SERIAL NO.(s) (SEE ATTACHED INVOICES):		
Equipment Description	Serial No.	Equipment Cost
1 (One) Ortner Freight 7000 Cubic Foot Woodchip Hopper Car 73'2½" (Lightweight 79,500 lbs.)	M & B 2000	\$61,500

**STIPULATED LOSS VALUES**

<b>PAYMENT NO.</b>	<b>STIPULATED LOSS AS A PERCENT OF ORIGINAL COST</b>	<b>PAYMENT NO.</b>	<b>STIPULATED LOSS AS A PERCENT OF ORIGINAL COST</b>	<b>PAYMENT NO.</b>	<b>STIPULATED LOSS AS A PERCENT OF ORIGINAL COST</b>
BEFORE					
1	101.5				
AFTER					
1	101.2	46	46.2		
2	100.9	47	43.2		
3	100.6	48	40.0		
4	100.2	THEREAFTER			
5	99.8				
6	99.4				
7	98.9				
8	98.4				
9	97.9				
10	97.4				
11	96.9				
12	96.3				
13	95.7				
14	95.0				
15	94.4				
16	93.7				
17	92.9				
18	92.2				
19	91.4				
20	90.5				
21	89.6				
22	88.7				
23	87.7				
24	86.7				
25	85.6				
26	84.5				
27	83.3				
28	82.0				
29	80.7				
30	79.4				
31	77.9				
32	76.4				
33	74.9				
34	73.2				
35	71.5				
36	69.7				
37	67.8				
38	65.8				
39	63.7				
40	61.6				
41	59.3				
42	56.9				
43	54.4				
44	51.8				
45	49.0				

**SPECIAL CONDITIONS:**

The undersigned Lessor hereby leases to the undersigned Lessee, and the undersigned Lessee agrees to hire from Lessor the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order,
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee,
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee,

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

(5) That the equipment is new and unused, and that the equipment has been delivered to, is now in possession of and acceptable to Lessee.

LESSOR:  
MCDONNELL DOUGLAS FINANCE CORPORATION

LESSEE: MERIDIAN & BIGBEE RAILROAD COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

EXHIBIT "A" TO EQUIPMENT LEASE AGREEMENT

INDIVIDUAL EQUIPMENT RECORD

IER NO. 458-002

Dated as of April 22, 1981 to that Equipment Lease Agreement dated as of April 22, 1981

LESSOR: McDonnell Douglas Finance Corporation  
~~3855 Lakewood Boulevard~~ P.O. BOX 580  
~~Long Beach, California 90846~~ LONG BEACH, CA 90801  
~~Attention: 18A-34~~ WELLS FARGO BLDG.

LESSEE: Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

LOCATION OF EQUIPMENT: Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

ACCEPTANCE DATE:

New <input checked="" type="checkbox"/>	Purchase Order No. _____	Term: <u>12</u> year(s) <u>48</u> <sup>Quarters</sup> month(s) Commencing _____	Security Deposit: \$ <u>None</u>
Used _____			

Tax Capitalized or Exempt <input checked="" type="checkbox"/> Tax Based on Rentals <input type="checkbox"/> Remit with each Payment	INSURANCE REQUIREMENTS: ALL RISK: Stipulated loss value. LIABILITY: Bodily Injury Liability \$1,000,000 per person/\$1,000,000 per accident; Property Damage Liability \$1,000,000
---	---

RENTAL: \$ N/A payable upon execution of this IER, to be applied to the N/A rental installment. Payment of the 1st through 48th rental installments shall commence on July and shall continue Quarterly thereafter on the \_\_\_\_\_ day of each Oct., Jan, & Apr., with each such rental installment to be in the amount of \$ 2,977.83

EQUIPMENT DESCRIPTION AND SERIAL NO.(S) (SEE ATTACHED INVOICES):		
Equipment Description	Serial No.	Equipment Cost
1 (One) Ortner Freight 7000 Cubic Foot Woodchip Hopper Car 73'2½" (Lightweight 79,500 lbs.)	M & B 2001	\$61,500

### STIPULATED LOSS VALUES

PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
BEFORE					
1	101.5				
AFTER					
1	101.2	46	46.2		
2	100.9	47	43.2		
3	100.6	48	40.0		
4	100.2	THEREAFTER			
5	99.8				
6	99.4				
7	98.9				
8	98.4				
9	97.9				
10	97.4				
11	96.9				
12	96.3				
13	95.7				
14	95.0				
15	94.4				
16	93.7				
17	92.9				
18	92.2				
19	91.4				
20	90.5				
21	89.6				
22	88.7				
23	87.7				
24	86.7				
25	85.6				
26	84.5				
27	83.3				
28	82.0				
29	80.7				
30	79.4				
31	77.9				
32	76.4				
33	74.9				
34	73.2				
35	71.5				
36	69.7				
37	67.8				
38	65.8				
39	63.7				
40	61.6				
41	59.3				
42	56.9				
43	54.4				
44	51.8				
45	49.0				

**SPECIAL CONDITIONS:**

The undersigned Lessor hereby leases to the undersigned Lessee, and the undersigned Lessee agrees to hire from Lessor the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order,
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee,
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee,

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

(5) That the equipment is new and unused, and that the equipment has been delivered to, is now in possession of and acceptable to Lessee.

LESSOR:  
MCDONNELL DOUGLAS FINANCE CORPORATION

LESSEE: MERIDIAN & BIGBEE RAILROAD COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

EXHIBIT "A" TO EQUIPMENT LEASE AGREEMENT

Lessee Copy

INDIVIDUAL EQUIPMENT RECORD

IER NO. 458-003

Dated as of April 22, 1981 to that Equipment Lease Agreement dated as of April 22, 1981

LESSOR: McDonnell Douglas Finance Corporation  
~~3855 Lakewood Boulevard~~ P.O. BOX 580  
~~Long Beach, California 90846~~ LONG BEACH, CA (0801  
~~Attention: 18A-34-~~ WELLS FARGO BLDG.

LESSEE: Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

LOCATION OF EQUIPMENT: Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

ACCEPTANCE DATE:

New <u>X</u> Used _____	Purchase Order No. _____	Term: <u>12</u> year(s) <u>48</u> <sup>Quarters</sup> -month(s) Commencing _____	Security Deposit: \$ <u>None</u>
Tax Capitalized <u>or Exempt</u> Tax Based on Rentals Remit with each Payment	<input checked="" type="checkbox"/> <input type="checkbox"/>	INSURANCE REQUIREMENTS: ALL RISK: Stipulated loss value. LIABILITY: Bodily Injury Liability \$1,000,000 per person/\$1,000,000 per accident; Property Damage Liability \$1,000,000	
RENTAL: \$ <u>N/A</u> payable upon execution of this IER, to be applied to the <u>N/A</u> rental installment. Payment of the <u>1st</u> through <u>48th</u> rental installments shall commence on <u>July</u> and shall continue <u>Quarterly</u> thereafter on the _____ day of each <u>Oct., Jan, &amp; Apr.</u> , with each such rental installment to be in the amount of \$ <u>2,977.83</u>			
EQUIPMENT DESCRIPTION AND SERIAL NO.(S) (SEE ATTACHED INVOICES):			
Equipment Description	Serial No.	Equipment Cost	
1 (One) Ortner Freight 7000 Cubic Foot Woodchip Hopper Car 73'2½" (Lightweight 79,500 lbs.)	M & B 2002	\$61,500	

### STIPULATED LOSS VALUES

PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
BEFORE					
1	101.5				
AFTER					
1	101.2	46	46.2		
2	100.9	47	43.2		
3	100.6	48	40.0		
4	100.2	THEREAFTER			
5	99.8				
6	99.4				
7	98.9				
8	98.4				
9	97.9				
10	97.4				
11	96.9				
12	96.3				
13	95.7				
14	95.0				
15	94.4				
16	93.7				
17	92.9				
18	92.2				
19	91.4				
20	90.5				
21	89.6				
22	88.7				
23	87.7				
24	86.7				
25	85.6				
26	84.5				
27	83.3				
28	82.0				
29	80.7				
30	79.4				
31	77.9				
32	76.4				
33	74.9				
34	73.2				
35	71.5				
36	69.7				
37	67.8				
38	65.8				
39	63.7				
40	61.6				
41	59.3				
42	56.9				
43	54.4				
44	51.8				
45	49.0				

**SPECIAL CONDITIONS:**

The undersigned Lessor hereby leases to the undersigned Lessee, and the undersigned Lessee agrees to hire from Lessor the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order,
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee,
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee,

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

(5) That the equipment is new and unused, and that the equipment has been delivered to, is now in possession of and acceptable to Lessee.

LESSOR:  
MCDONNELL DOUGLAS FINANCE CORPORATION

LESSEE: MERIDIAN & BIGBEE RAILROAD COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

INDIVIDUAL EQUIPMENT RECORD

IER NO. 458-004

Dated as of April 22, 1981 to that Equipment Lease Agreement dated as of April 22, 1981

LESSOR: McDonnell Douglas Finance Corporation  
~~3855 Lakewood Boulevard~~ P.O. BOZ 580  
~~Long Beach, California 90846~~ LONG BEACH, CA 90801  
~~Attention: 18A-34~~ WELLS FARGO BLDG.

LESSEE: Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

LOCATION OF EQUIPMENT: Meridian & Bigbee Railroad Company  
 119 22nd. Avenue South  
 Meridian, Mississippi 39301

ACCEPTANCE DATE:

New <u>X</u> Used _____	Purchase Order No. _____	Term: <u>12</u> year(s) <u>48</u> <sup>Quarters</sup> -month(s) Commencing _____	Security Deposit: \$ <u>None</u>
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Tax Capitalized <u>or Exempt</u> Tax Based on Rentals Remit with each Payment	<input checked="" type="checkbox"/> <input type="checkbox"/>	INSURANCE REQUIREMENTS: ALL RISK: Stipulated loss value. LIABILITY: Bodily Injury Liability \$1,000,000 per person/\$1,000,000 per accident; Property Damage Liability \$1,000,000
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RENTAL: \$ N/A payable upon execution of this IER, to be applied to the N/A rental installment. Payment of the 1st through 48th rental installments shall commence on July and shall continue Quarterly thereafter on the \_\_\_\_\_ day of each Oct., Jan, & Apr., with each such rental installment to be in the amount of \$ 2,977.83

EQUIPMENT DESCRIPTION AND SERIAL NO.(S) (SEE ATTACHED INVOICES):		
Equipment Description	Serial No.	Equipment Cost
1 (One) Ortner Freight 7000 Cubic Foot Woodchip Hopper Car 73'2½" (Lightweight 79,500 lbs.)	M & B 2003	\$61,500

### STIPULATED LOSS VALUES

PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST	PAYMENT NO.	STIPULATED LOSS AS A PERCENT OF ORIGINAL COST
BEFORE					
1	101.5				
AFTER					
1	101.2	46	46.2		
2	100.9	47	43.2		
3	100.6	48	40.0		
4	100.2	THEREAFTER			
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10	97.4				
11	96.9				
12	96.3				
13	95.7				
14	95.0				
15	94.4				
16	93.7				
17	92.9				
18	92.2				
19	91.4				
20	90.5				
21	89.6				
22	88.7				
23	87.7				
24	86.7				
25	85.6				
26	84.5				
27	83.3				
28	82.0				
29	80.7				
30	79.4				
31	77.9				
32	76.4				
33	74.9				
34	73.2				
35	71.5				
36	69.7				
37	67.8				
38	65.8				
39	63.7				
40	61.6				
41	59.3				
42	56.9				
43	54.4				
44	51.8				
45	49.0				

**SPECIAL CONDITIONS:**

The undersigned Lessor hereby leases to the undersigned Lessee, and the undersigned Lessee agrees to hire from Lessor the equipment described herein. The Lessee hereby acknowledges and agrees, respecting the equipment described herein:

- (1) That Lessee has inspected the equipment fully and completely as to size, model, function and conformity to the purchase order,
- (2) That the equipment is of a size, design, function and manufacturer selected by Lessee,
- (3) That Lessee is satisfied that the same is suitable for its intended purposes and any special purposes of Lessee,

(4) LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT TO THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR AS TO ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT.

(5) That the equipment is new and unused, and that the equipment has been delivered to, is now in possession of and acceptable to Lessee.

LESSOR:  
MCDONNELL DOUGLAS FINANCE CORPORATION

LESSEE: MERIDIAN & BIGBEE RAILROAD COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_

EXHIBIT "A" TO EQUIPMENT LEASE AGREEMENT

Lessee Copy

INDIVIDUAL EQUIPMENT RECORD

IER NO. 458-005

Dated as of April 22, 1981 to that Equipment Lease Agreement dated as of April 22, 1981

LESSOR: McDonnell Douglas Finance Corporation  
~~3855 Lakewood Boulevard~~ P.O. BOX 580  
~~Long Beach, California 90846~~ LONG BEACH, CA 90801  
~~Attention: 18A-34~~ WELLS FARGO BLDG.

LESSEE: Meridian & Bigbee Railroad Company  
119 22nd. Avenue South  
Meridian, Mississippi 39301

LOCATION OF EQUIPMENT: Meridian & Bigbee Railroad Company  
119 22nd. Avenue South  
Meridian, Mississippi 39301

ACCEPTANCE DATE:

New <u>X</u> Used _____	Purchase Order No. _____	Term: <u>12</u> year(s) <u>48</u> <sup>Quarters</sup> month(s) Commencing _____	Security Deposit: \$ <u>None</u>
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Tax Capitalized or Exempt Tax Based on Rentals Remit with each Payment	<input checked="" type="checkbox"/> INSURANCE REQUIREMENTS: ALL RISK: Stipulated loss value. <input type="checkbox"/> LIABILITY: Bodily Injury Liability \$1,000,000 per person/\$1,000,000 per accident; Property Damage Liability \$1,000,000
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**STIPULATED LOSS VALUES**

<b>PAYMENT NO.</b>	<b>STIPULATED LOSS AS A PERCENT OF ORIGINAL COST</b>	<b>PAYMENT NO.</b>	<b>STIPULATED LOSS AS A PERCENT OF ORIGINAL COST</b>	<b>PAYMENT NO.</b>	<b>STIPULATED LOSS AS A PERCENT OF ORIGINAL COST</b>
<b>BEFORE</b>					
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1	101.2	46	46.2		
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MCDONNELL DOUGLAS FINANCE CORPORATION

LESSEE: MERIDIAN & BIGBEE RAILROAD COMPANY

By \_\_\_\_\_  
Title \_\_\_\_\_

By \_\_\_\_\_  
Title \_\_\_\_\_