

C. GRANVILLE WYCHE
ALFRED F. BURGESS
C. THOMAS WYCHE
DAVID L. FREEMAN
JAMES C. PARHAM, JR.
JAMES M. SHOEMAKER, JR.
WILLIAM W. KEHL
CHARLES W. WOFFORD
LARRY D. ESTRIDGE
D. ALLEN GRUMBINE
CARY H. HALL, JR.
CARL F. MULLER
HENRY L. PARR, JR.
BRADFORD W. WYCHE
ERIC B. AMSTUTZ

WYCHE, BURGESS, FREEMAN & PARHAM

PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

GREENVILLE, SOUTH CAROLINA 29603

February 15, 1982

2-050A088

RECORDATION NO. 13557
FEB 14 1982

FFB 19 1982 -11 35 AM

INTERSTATE COMMERCE COMMISSION
POST OFFICE BOX 1000
44 EAST CAMPERDOWN WAY
CABLE ADDRESS: JURAL
TELEPHONE 803-242-3131

No. FEB 19 1982
Date
Fee \$ 50.00
CC Washington, D. C.

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Sir:

I enclose an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of title 49 of the U. S. Code.

This document is a Management Agreement dated as of July 1, 1981.

The names and addresses of the parties to the document are as follows:

Manager: National Railway Utilization Corporation
100 North Twentieth Street - Second Floor
Philadelphia, Pa. 19103

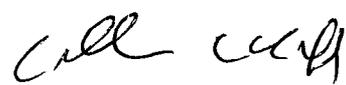
Owner: Ohio National Life Insurance Company
P. O. Box 237
Cincinnati, Ohio 45201

A description of the equipment covered by the document is as follows:

50 50'6" 70-ton XM rated boxcars bearing
Railroad Numbers listed on Exhibit
A attached hereto.

A fee of \$50 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned.

Very truly yours,


William W. Kehl

WWK:ebw
Enclosures

FEB 19 11 17 AM '82

EXHIBIT "A"

ROAD NUMBERS OF TWENTY (20) 50'6" 70-ton XM rated Boxcars:

- M&NJ 120740/120741
- " 120747/120748
- " 120754/120755
- " 120761/120762
- " 120768/120769
- " 120775/120776
- " 120782/120783
- " 120789/120790
- " 120796/120797
- " 120803/120804

ROAD NUMBERS OF THIRTY (30) 50'6" 70-ton XM rated Boxcars:

M&NJ 120805 - 120834 INCLUSIVE

MAF:ait
10/20/81
D: MAF1/OH

RECORDATION NO. 13557

FFB 19 1982 -11 25 AM

INTERSTATE COMMERCE COMMISSION

MANAGEMENT AGREEMENT

THIS INSTRUMENT HAS BEEN EXECUTED
IN 12 COUNTERPARTS, OF WHICH
THIS IS COUNTERPART NO. 12

THIS AGREEMENT, dated as of July 1, 1981, between NATIONAL RAILWAY UTILIZATION CORPORATION ("NRUC") and The Ohio National Life Insurance Company, a corporation organized and existing under the Laws of the State of Ohio ("Owner").

W I T N E S S E T H :

WHEREAS, the Owner owns fifty (50) 50'6" 70-ton XM rated boxcars which bear railroad numbers as listed on Exhibit "A" hereto (the "Equipment", and each such boxcar being herein referred to as a "Unit"); and

WHEREAS, the Owner desires to retain the services of NRUC, as manager for the Owner, for the purpose of managing the Equipment; and

WHEREAS, NRUC is willing to accept such appointment as manager, to manage the Equipment for the account of the Owner during the term of this Agreement; and

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Appointment of Manager; Acceptance. Subject to the terms and conditions of this Agreement, the Owner hereby appoints NRUC as manager of the Equipment for the purposes herein stated and NRUC hereby accepts such appointment. In consideration of Owner entering into this Agreement with manager, and in consideration of

Owner entering into a certain Termination Agreement of even date with NRUC, NRUC, at no cost to Owner, shall inspect each Unit subject to this Agreement and shall put the same in interchange condition.

2. Term. This Agreement shall remain in force until it shall have been terminated as to all of the Units of Equipment. The term of this Agreement with respect to each Unit shall commence on the date of execution of a Certificate of Acceptance as to a Unit by NRUC (which Certificate shall constitute a warranty and representation by NRUC to Owner that the Unit conforms to AAR interchange condition, and any cost to place such Unit in such condition shall be paid by NRUC and shall not be reimbursed by Owner) and shall continue until January 1, 1986, unless sooner terminated by Owner by giving 30 days prior written notice to NRUC (in which event Units in service shall be directed to delivery points designated by Owner as such Units come out of service as hereinafter provided).

3. Ownership. The parties agree that the Owner shall at all times be and remain the owner of the Equipment, and that nothing in this Agreement is in any way intended to grant any ownership interest or property right in the Equipment to NRUC or to any railroad whose markings appear on the Equipment. Further, NRUC will not directly or indirectly create or suffer to exist, any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Equipment in favor of

persons claiming through or under NRUC, or under any railroad whose markings appear on the Units or arising out of a breach by NRUC of its obligations hereunder. NRUC will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest or claim in favor of persons claiming through or under NRUC or under any railroad whose markings appear on the Units or arising out of a breach by NRUC of its obligations hereunder and shall indemnify Owner and hold the Owner harmless from and against all claims, damages and expenses arising out of any such third party claim.

4. Management Duties. The management functions to be performed by NRUC hereunder shall include those specifically set forth in this Section 4 and such other duties and responsibilities as shall be agreed upon from time to time by the parties hereto:

A. NRUC shall manage and use its best efforts to arrange for the constant utilization of the Units for trips not to be excess of 90 days with all useage of the Units restricted to Continental United States unless a copy of this Agreement is deposited with the Registrar General of Canada and notice given in the Canada Gazette pursuant to Section 86 of the Railway Act of Canada, in which event the Units may be used in Canada, and unless any use of Units in Mexico is limited to less than 25% of the Units at any one time and any filing required under Mexican law to indicate Owner's ownership has been accomplished, all (except such filing requirements and useage restruictions), subject as

aforesaid, to NRUC's complete discretion, and NRUC shall perform all necessary administrative acts to ensure the proper utilization of said Units and the protection of the Owner's interest therein.

B. NRUC shall continue to make available for the Units the markings presently on the Units, and shall advise the American Association of Railroads that NRUC is acting as Manager rather than as a lessee or Owner. NRUC agrees that the Units shall at all times have affixed thereto markings indicating ownership of the equipment by the Owner and shall be lettered with such railroad markings and the name and/or other insignia used by such railroad. Such name or insignia shall comply with all applicable regulations. The NRUC logotype insignia may be affixed to each side of the Units in standard size.

C. NRUC shall prepare, if not existing presently, or shall amend to indicate Owner's status as owner and NRUC's status as manager of the Equipment, all documents relating to the registration, maintenance and record keeping functions for the Units in accordance with Association of American Railroad ("AAR") interchange agreements, the Interstate Commerce Commission ("ICC"), Department of Transportation ("DOT") and any other government industry authority which requires a filing, and shall file the same. Such matters shall include, but shall not be limited to, the preparation and filing of the following documents: (i) appropriate AAR interchange agreements with respect to the Units; (ii) registration for each Unit in the Official Railway Equipment Register and the Universal Machine Language Equipment Register

Machine Language Equipment Register directing, inter alia, that all correspondence from railroads using such units shall be addressed to NRUC; and (iii) such reports as may be required from time to time by the ICC and other regulatory agencies with respect to the Units. Any record keeping performed by NRUC and all records of payment and charges and all correspondence relating to the Units shall be separately recorded and maintained by NRUC in a form suitable for reasonable inspection by the Owner from time to time during regular business hours of NRUC. NRUC shall supply the Owner with such reports regarding the use of the Units as the Owner may reasonably request. NRUC shall promptly provide Owner with all information reasonably necessary for preparation of Federal income tax and other tax returns.

D. NRUC shall perform all car accounting services for the Units and send reports to the Owner on a quarterly basis itemizing all revenues by Unit number.

E. NRUC shall monitor, make, or cause to be made, such inspections of and maintenance and repairs and expenses to the Equipment (but charges for maintenance and repair are not to exceed AAR scheduled charges) including replacement of parts, as may be required to maintain the Equipment in good operating condition (ordinary wear and tear excepted) and in compliance with all applicable rules and regulations of government and industry authorities relating to the qualification of the Equipment for use in the Railroad Interchange System throughout the term of this Agreement. All expenses of maintenance and repairs shall be

MAF:ait
10/20/81
D: MAF1/6

by NRUC, and, to the extent available, NRUC may deduct such amounts from Owner's Aggregate Net Revenues, if any, it being understood and agreed that NRUC is solely responsible to make certain that no common law lien or other lien shall attach to the Units on account of maintenance or repair work and that the Units shall be maintained at all times in interchange condition, all at the initial expense of NRUC, and to the extent that there are not sufficient Owner's Aggregate Net Revenues to pay such costs, NRUC shall pay the same regardless of any termination of this Agreement. NRUC agrees that it shall reasonably pursue all claims against third parties for damage to the Equipment on behalf and at its expense which to the extent sufficient Owner's Net Aggregate Revenues exist shall be charged to the Owner. The Owner agrees that, with respect to any claim or right against any third party relative to the physical condition of any Unit, the Owner shall, to the extent reasonably required to permit NRUC to seek recovery from such third party, assign such claim or right to NRUC. Unless NRUC is obligated to bear the cost or expense for which recovery is sought, such recovery shall be for the benefit of the Owner. Further, to the extent that Owner desires, it shall have the right to send its independent auditors to review the books and records of NRUC to determine whether the charges made for repairs conform to the provisions of this Agreement, and in the event that it is determined by said independent auditors that said charges do not conform to AAR rules, the cost of the independent auditors for making such determination shall be paid entirely by NRUC and in

addition, any such overcharge shall be promptly remitted to Owner with interest thereon at the rate of 18% per annum.

F. NRUC shall make, or cause to be made, in either case at the expense of the Owner, all alterations or modifications to the Units required by government regulations provided, however, if the direct costs of such alterations or modifications shall exceed \$500 per Unit (computed cumulatively from the date of this Agreement), then NRUC shall first give the Owner prior written notice of the proposed alterations and modifications and an estimate of the cost thereof, and NRUC shall not thereafter make or cause such modifications to be made if the Owner advises NRUC in writing within fifteen days after receipt of such notice that Owner does not desire to have such alterations or modifications made. In the event Owner elects not to proceed with such required alterations or modifications, NRUC may elect to terminate this Agreement as to the Units requiring such alterations or modifications upon five days' prior written notice to Owner.

G. NRUC shall take appropriate steps to ensure that no Unit will be used predominantly outside the United States within the meaning of Section 48(a) (2) (A) of the Internal Revenue Code of 1954 (as amended), or any successor provisions thereof, and applicable regulations thereunder.

H. NRUC will at all times while this Agreement is in effect furnish, at its expense, combined single limit liability insurance insuring NRUC and Owner, as their interests may appear, in an amount not less than \$3,000,000 for each person and

\$3,000,000 for each occurrence for liability arising out of bodily injury and property damage as a result of the ownership and operation of the Units. NRUC shall furnish Owner with a Certificate of Insurance confirming that Owner is named as an additional insured under such policy and that each of the Units is referred to in such policy. NRUC shall obtain and maintain, at the expense of Owner (but not to be in excess of \$50 per Unit per annum, unless Owner agrees to an additional charge), physical damage insurance for each Unit while such Unit is not on a Railroad which is owned by or is a subsidiary or an affiliate of NRUC in an amount not less than the original invoice price thereof, with a \$500 deductible applicable on a per Unit basis, and shall furnish Owner with a Certificate of Insurance confirming that Owner is the named insured under such physical damage insurance. NRUC shall at its sole cost and expense obtain physical damage insurance as above described covering the Units while on the tracks of a subsidiary or affiliate or owned by NRUC and shall name Owner a/i/i/m/a thereunder and deliver a certificate to such effect to Owner with evidence of premiums being paid. The liability and physical damage insurance policies shall provide that Owner shall be given at least thirty (30) days' written notice prior to the cancellation or termination of such policy, and the certificate of Insurance shall confirm that such policies so provide. Upon written request NRUC will provide Owner copies of such policies.

If at any time the general liability insurance

maintained on the Units as described above, or the physical damage insurance described above shall lapse or have limits lower than as described above for whatever reason, NRUC shall immediately upon receipt of notice of the lapse of, or decrease in, such insurance coverage, given written notice to Owner of the same.

NRUC shall notify Owner promptly with respect to any default in payment of any premium or of any other act or omission of NRUC or of any other party of which it has knowledge which might invalidate, or render unenforceable, or result in a lapse of or otherwise reduce, any insurance coverage on the Equipment maintained pursuant to this Agreement.

I. NRUC shall arrange for the safe storage of the Units for such time as they are not in service hereunder at no charge when on tracks owned or controlled by NRUC or any of its affiliates or subsidiaries; and any charges imposed by non-affiliated railroads shall be paid by NRUC but which shall be at the expense of Owner to the extent Owner's Gross Revenues exist.

J. NRUC shall insure that no Unit will be used where the Owner's interest has not been fully protected by filing of requisite documentation under prevailing law and NRUC when requested by Owner will provide an opinion of NRUC's counsel to the effect the Lessee's interest is fully protected as to any prospective use (which opinion will be paid for by NRUC). Further, NRUC will not directly or indirectly, create or suffer to exist, any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Equipment in

favor of persons claiming through or under NRUC. NRUC will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest or claim in favor of persons claiming through or under NRUC and shall indemnify Owner and hold the Owner harmless from and against all claims, damages and expenses arising out of any such third party claim.

K. Wherever in this paragraph 4 it is provided that NRUC will pay expenses which shall be reimbursed from Owner's Aggregate Net Revenues it is understood that this provision shall in no way impair Owner's right to terminate this Agreement on 30 days prior notice, and to the extent such expenses are not reimbursed out of Owner's Aggregate Net Revenues, such expenses shall be borne solely by NRUC, except that the expenses may be satisfied out of revenues collected after the termination of the Management Agreement.

5. Receipt and Disbursement of Revenue.

A. NRUC shall collect, on behalf of the Owner, all mileage charges and car hire revenues and other revenues paid by railroads with respect to the use of the Equipment. Such mileage charges and car hire revenues and other revenues are referred to herein as the "Gross Revenues" which term shall also include demurrage payments. In addition to those items of expense which may be paid by NRUC pursuant to this Agreement, NRUC shall, pay the following designated expenses as may be required to be paid with respect to the Owner's Equipment: movement and storage expenses, any sales tax which may be imposed with respect to such

Gross Revenues, car hire claim relief allowed any railroad (not affiliated with, owned by or a subsidiary of NRUC) by NRUC, and adjustments or refunds of Gross Revenues payable to railroads (not affiliated with, owned by or a subsidiary of NRUC). Such designated expenses are referred to herein as the "Designated Expenses." The excess of the Owner's Gross Revenues over Designated Expenses is referred to herein as the "Aggregate Net Revenues." The Owner's Aggregate Net Revenues for each calendar quarter are referred to herein as the "Owner's Quarterly Net Revenues." NRUC is hereby empowered and authorized to deduct from Owner's Gross Revenues all amounts advanced by NRUC to pay Designated Expenses, all expenses incurred by NRUC pursuant to Section 4 above and the Management Fee payable in accordance with Paragraph B immediately below (collectively the "Expenses"), it being understood that Owner shall have no duty or liability for any amount paid by NRUC on account of the foregoing which exists subsequent to termination of this Agreement by Owner, except that NRUC shall have the right to satisfy Expenses out of Owner's Aggregate Net Revenue collected subsequent to termination of the Agreement.

B. NRUC shall have the right, if it so determines, to make disbursements from the Owner's Aggregate Net Revenues of the management fee payable to NRUC as provided in Section 7 (Management Fees") and Ad valorem, property and similar taxes applicable with respect to the Equipment owned by the Owner.

C. NRUC shall collect all Gross Revenues for the account of Owner and after deduction of all amounts paid for

Designated Expenses, expenses incurred pursuant to Section 4 above, Management Fees and Ad Valorem property and similar taxes shall deposit all balances not less frequently than every thirty days in an escrow account maintained by NRUC in Owner's name (and relating to which NRUC shall have the power to withdraw funds for NRUC's account to reimburse NRUC for any of the above described expenses paid by NRUC, and the interest on which shall be the property of NRUC) provided that NRUC shall remit the balance in said account to Owner every ninety days together with and accompanied by a Certificate of an officer of NRUC attesting to the accuracy of such accounting.

6. Conflicts of Interest. Owner understands that NRUC is managing other boxcars for its own account and for the account of persons associated with NRUC and that NRUC may have conflicts of interest between the management of Owner's Equipment and other boxcars owned, controlled or managed by NRUC. Although there can be no assurance that the Owner's Equipment will earn revenues equal to those of other railroad equipment owned, controlled or managed by NRUC, NRUC agrees to use reasonable efforts to integrate the Owner's Equipment into the fleet of railroad equipment managed by NRUC and to manage the Owner's Equipment in a manner consistent with the management by NRUC of railroad equipment for all other persons in an effort to provide the same rate of profitability and utilization for the Owner's Equipment that it achieves for all other boxcars which it manages. NRUC shall have no liability under this Section 6 except for fraud, bad faith or

gross mismanagement.

7. Management Fees. In consideration of the management services performed by NRUC, the Owner agrees to pay, which payment shall be due only to the extent of Gross Revenues, NRUC 15% of all Gross Revenues earned by the Owner's Units (net of reclaims) or \$1.50 per car per day, whichever is greater. NRUC acknowledges that said 15% fee is higher than its normal management fee and that Owner has agreed to pay such fee in consideration of the grant to Owner by NRUC of warrants to purchase stock in accordance with the terms of a certain warrant agreement entered into of even date herewith.

8. Assignment. This Agreement is not assignable by NRUC except with the prior written consent of Owner, which consent may be withheld.

9. Compliance with Applicable Laws, Rules and Regulations. NRUC agrees that in connection with its management of the Units, it and every railroad whose markings appear on the Units, will each comply, and to the extent feasible will cause each user of the Units to comply, in all respects, with all laws, rules, or administrative decisions of the jurisdictions in which operation of the Units may extend, with the interchange rules of the A.A.R. and will all rules, regulations, edicts and/or decisions of the D.O.T., the I.C.C., the A.A.R. and any other government or industry authority exercising any power or jurisdiction with respect to the Units, to the extent that such may affect the title, revenues, operation or use of the Units in any manner whatsoever; provided

however that, NRUC may, in good faith, at its expense, contest the validity or application of any such law or rule in any reasonable manner, provided further that independent legal counsel for NRUC is reasonably of the opinion that contesting such law or rule will not adversely affect the property or rights of Owner and such counsel provide such an opinion to Owner, if requested. NRUC agrees to give prior notice of such contest so that Owner may request the opinion discussed aforesaid.

10. Indemnification. Owner and NRUC jointly and severally acknowledge, agree and covenant that NRUC is entering into this Agreement solely as the manager of the equipment.

A. The Owner agrees that it shall not attempt to enter into contracts or commitments in the name, or on behalf of, NRUC, or to bind NRUC in any manner or respect whatsoever except insofar as may be consistent with NRUC's status as manager under this Agreement. Further, the Owner agrees to indemnify and hold NRUC harmless from any and all claims, demands, causes of action (at law or equity), costs, damages, reasonable attorneys' fees, expenses and judgments (collectively "claim") which may hereafter be asserted against or sustained by NRUC by reason of a claim of a third party against NRUC based on or resulting from action of Owner which is the proximate cause of such claim, except a claim which gives rise to NRUC's obligation to indemnify the Owner hereunder.

B. NRUC agrees that it shall not attempt to enter into contracts or commitments in the name, or on behalf of, the

Owner, or to bind the Owner in any manner or respect whatsoever except insofar as may be consistent with NRUC's status as manager under this Agreement. NRUC agrees to indemnify and hold harmless the Owner from and against any and all claims, demands, causes of action (at law or equity), costs, damages, reasonable attorneys' fees, expenses and judgments which may hereafter be asserted against or sustained by the Owner by reason of a claim based on or relating to the Units or arising out of the operation or use thereof or Owner's title or any act or omission by NRUC (i) if a result of negligence, fraud or bad faith or NRUC, (ii) if a result of any misrepresentation or breach of any covenant or warranty made by NRUC hereunder, or (iii) if a result of any act of NRUC outside the scope of NRUC's authority granted under this Agreement.

11. Default.

A. The occurrence of any of the following events shall be Events of Default hereunder:

(i) The nonpayment by NRUC of any sum required hereunder to be paid by it within 10 days after written notice thereof;

(ii) The default by either party under any other material term, covenant or condition of this Agreement which is not cured within 10 days after written notice thereof from such party.

(iii) Any material representation or warranty of NRUC either under this Agreement or under the Certificate of Acceptance

shall prove to be incorrect in any material respect;

(iv) Filing of any petition (except by Owner, its agents, subsidiaries, or assigns) avering any affirmative act of insolvency by NRUC including, but not limited to the inability of NRUC generally to pay its debts as they mature, or the filing by NRUC of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or the filing of any such petition or action against NRUC or the appointment of any receiver, trustee or liquidator to take possession of the properties of NRUC;

(v) The subjecting of any of the property of NRUC to any levy, seizure, assignment, application or sale by any creditor or governmental agency which substantially impairs the capacity of NRUC to fulfill its obligations under this Agreement; and

(vi) The assignment of this Agreement by NRUC without the written consent of Owner.

12. Remedies Upon Default.

A. Upon the occurrence of any Event of Default by one party to this Agreement, the other party may terminate this Agreement and proceed by appropriate court action to enforce performance by the other party of this Agreement and to recover direct and consequential financial damages which result from a breach thereof (including but not limited to, in the case of a breach by NRUC, all of Owner's cost and expenses of retaking, repair, assembly, delivery, transporting and storage of the Units), and such defaulting party shall bear the other party's

costs and expenses, including reasonable attorney's fees, in securing such enforcement or financial damages;

B. In the event of default by NRUC, the Owner may by notice in writing to NRUC, immediately terminate the right of possession of NRUC of the Units, and thereupon the Owner may by its agents enter upon any premises where the Units may be located and take possession of them and henceforth hold, possess and enjoy the same free from any rights of NRUC or NRUC, upon request of Owner shall assemble the Units at a delivery point for Owner or shall capture all in-service cars or direct their delivery to a point designated by Owner, all at NRUC's expense. NRUC hereby expressly waives any and all claims against Owner and Owner's agents for damages in connection with any retaking of any of the Units in any commercially reasonable manner;

C. In the event of default by the Owner, NRUC, by notice in writing to the Owner, may terminate its obligations hereunder; provided, however, in exercising such right of termination, NRUC shall act in a commercially reasonable manner and, further provided, NRUC shall not be relieved of any liability to Owner hereunder arising prior thereto.

D. In the event of default by NRUC, Owner may demand that an escrow account be established for the benefit of Owner to receive all car hire revenues and mileage charges and any other sums accruing and payable to the date of default with respect to the use of Units, and NRUC shall take necessary action to establish the escrow account and to provide for the direct payment

of all such car hire revenues, mileage charges and other sums directly to the escrow account for payment to Owner, as provided in this Agreement (subject to the payment by the escrow agent for any previously earned management and maintenance fees earned and payable to NRUC under this Agreement) and any other Expense properly chargeable to the Gross Revenue in accordance with this Agreement. Such escrow account will be established at a national bank with a capital and undivided surplus of at least \$25,000,000 to be chosen by Owner and approved by NRUC (which approval shall not be unreasonably withheld).

E. Each and every power and remedy herein specifically given to Owner or NRUC shall be in addition to every other power and remedy herein specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by Owner or NRUC. 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 Owner or NRUC in the exercise of any such power or remedy and no extension of time for any payment due hereunder shall impair any such power or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted by either Owner to NRUC or NRUC to Owner shall not otherwise alter or affect the respective rights and obligations of Owner and NRUC. The acceptance of any payment of Owner or NRUC

after it shall have become due hereunder shall not be deemed to alter or affect the respective right and obligations of Owner and NRUC with respect to any subsequent payments or defaults therein.

13. Termination. At the expiration or termination of this Agreement as to any Units NRUC will surrender possession of such Units to the Owner by delivering the same to such location as the Owner shall reasonably designate. Owner shall have the right to store the Units on tracks owned by NRUC or by a subsidiary or affiliate of NRUC at no charge or expense for a reasonable period of time following termination of this Agreement. The delivery and transporting of the Units shall be at the expense and risk of the Owner unless termination results from NRUC's default as provided in Section 11 above, in which event NRUC shall pay the cost of assembly, repair, delivery, storage and transporting the Units. NRUC shall be solely responsible for the cost of assembly of the Units. This agreement shall terminate with respect to any Unit sold, lost or destroyed (or damaged beyond repair). From and after termination of this Agreement with respect to a Unit, all revenues earned by said Unit through the date of its return to the point designated by Owner, shall be paid to Owner quarterly, after deducting the management fee provided for herein, and any costs to be deducted as above provided and paid by NRUC in connection with such Unit.

14. Warranties and Covenants. NRUC represents, warrants and covenants that:

A. NRUC is a corporation duly organized, validly

existing and in good standing under the laws of the State of South Carolina and has the corporate power and authority, and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to own or hold its properties and to perform its obligations under this Agreement.

B. The entering into and performance of this Agreement will not violate any judgement, order, law or regulation applicable to NRUC, or result in any breach of or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of NRUC or on the Units pursuant to any instrument to which NRUC is a party or by which it or its assets may be bound.

C. NRUC is not a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as NRUC can now reasonably foresee, will adversely affect the ability of NRUC to perform its obligations under this Agreement.

D. There is no procedure known to NRUC for recording, filing or depositing this Agreement, or the Certificates of Acceptance, other than pursuant to Section 11303 of Title 49 of the United States Code, which is necessary or advisable to preserve or protect the title of Owner to the Units in the United States of America.

E. To NRUC's knowledge no state or local taxing authority (nor national government) is presently assessing any

personal property or ad valorem taxes against Units as described herein operated by NRUC.

16. Miscellaneous.

A. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted heirs, successors and assigns. No permitted assignment hereof shall relieve the assignor from any obligations hereunder, whether arising before or after the date of such assignment.

B. Any notice required or permitted to be given by one party to another hereunder shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

OWNER at: The Ohio National Life Insurance Company
P.O. Box 237
Cincinnati, OH 45201

Attention: Securities Division

NRUC at: 100 North Twentieth Street
Second Floor
Philadelphia, Pennsylvania 19103

or such other address as such person may from time to time designate by such notice in writing to the other. Any notice provided for herein shall become effective only upon and at the time of receipt by the person to whom it is given unless said notice is mailed by certified or registered mail in which case it shall be deemed to have been received on (i) the third business day following the mailing thereof, or (ii) the day of its receipt

(if a business day or the succeeding business day), whichever or of (i) or (ii) shall first occur.

C. NRUC shall take all action requested by the Owner to confirm the interest of the Owner in the Units and that NRUC has no interest in the Units other than as manager hereunder.

D. During the continuance of this Agreement, the Owner shall have the right at its own cost and expense, to inspect the Units at any reasonable time or times wherever the Units may be.

E. No failure or delay by either party 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 either 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.

F. This Agreement shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

G. The parties hereto expressly agree that this Agreement is not intended to create a partnership, joint venture or other entity between Owner, other owners of equipment who may have entered into similar agreements and/or NRUC.

H. Each party hereto shall promptly and duly execute and deliver to the other party such further documents, assurances, releases and other instruments, and take such further actions,

including any necessary filings, as the other party may reasonably request, in order to more fully carry out the intent and purpose of this Agreement, and to confirm Owner's ownership of the Units during the continuance of and upon termination of this Agreement.

I. This Agreement contains the entire agreement of the parties hereto pertaining to the management and operation of the Units. Except as otherwise provided herein, this Agreement may not be modified or amended, except by express, written agreement signed by both parties hereto. No waiver of any obligation of either party hereto shall be construed as a continuing waiver of any such obligation under any provision hereof.

J. NRUC agrees to provide Owner with an opinion of counsel, addressed to Owner, and supporting corporate authorizing documents covering the due authorization, execution and delivery of this Agreement and related agreement, the enforceability of such agreements, the recording of this Agreement with the ICC and the matters covered by Paragraph 14 hereof.

K. The payments due Owner pursuant to Paragraph 5 C hereof shall be made by wire transfer of federal or other immediately available funds to The First National Bank of Cincinnati, P. O. Box 1035, Cincinnati, Ohio 45201, Attention: William R. Trimpe, Assistant Vice President, Telephone No. (513) 632-4068 for the account of The Ohio National Life Insurance Company, Account No. 910-275-7 providing sufficient information with such wire transfer to identify the source and application of

:alt
11/4/81
D: MAF1/OH

16

such funds or such other account as Owner may from time to time designate in writing to NRUC. Payment not made when due shall bear interest at an annual rate of 14% until paid.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date above written.

NATIONAL RAILWAY UTILIZATION
CORPORATION

By: C. J. Kuss

ATTEST: David R. Stevens

THE OHIO NATIONAL LIFE
INSURANCE COMPANY

By: _____

ATTEST: _____

:a t
11/4/81
D: MAF1/OH

such funds or such other account as Owner may from time to time designate in writing to NRUC. Payment not made when due shall bear interest at an annual rate of 14% until paid.

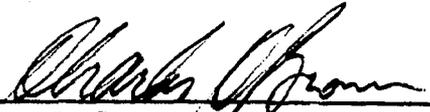
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date above written.

NATIONAL RAILWAY UTILIZATION
CORPORATION

By: _____

ATTEST: _____

THE OHIO NATIONAL LIFE
INSURANCE COMPANY

By: 
Charles C. Brown
Senior Vice President, Investments

ATTEST: 
ASST. SECRETARY

MAF:alt
10/20/81
D: MAF1/OH

STATE OF Ohio)
COUNTY OF Hamilton)

On this 31st day of December, 1981, before me personally appeared Charles C. Brown, to me personally known, who, being by me duly sworn, says that he is the Senior V.P. of The Ohio National Life Ins. Co. and Bradley J. Klose, to me personally known to be the Assistant Secretary; 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 such officers acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jeresa Boothby
Notary Public

My Commission Expires: _____

Jeresa Boothby
Notary Public, State of Ohio
My Commission Expires Oct. 16, 1982

:a t
10/20/81
D: MAF1/OH

15

STATE OF SOUTH CAROLINA)
COUNTY OF PICKENS)

On this 28th. day of December, 1981, before me personally appeared Carol D. Vinson to me personally known, who, being by me duly sworn, says that he is a Vice-President of National Railway Utilization Corporation, and, to me personally known to be the Assistant Secretary of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and such officers acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Carol L. Hampton
Notary Public

My Commission Expires: 2-27-86

10/20/81
D: MAF1/OH

STATE OF)
COUNTY OF)

On this _____ day of _____, 1981, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is the _____ of _____, and _____, to me personally known to be the _____; 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 such officers acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires: _____

EXHIBIT "A"

ROAD NUMBERS OF TWENTY (20) 50'6" 70-ton XM rated Boxcars:

M&NJ 120740/120741
" 120747/120748
" 120754/120755
" 120761/120762
" 120768/120769
" 120775/120776
" 120782/120783
" 120789/120790
" 120796/120797
" 120803/120804

ROAD NUMBERS OF THIRTY (30) 50'6" 70-ton XM rated Boxcars:

M&NJ 120805 - 120834 INCLUSIVE