



**COMMERCIAL CREDIT EQUIPMENT CORP.**  
**McCULLAGH LEASING, INC.**  
 a Control Data Company

300 St. Paul Place  
 Baltimore, Maryland 21202  
 301/332-3000  
 Telex: 87-428

13617

RECORDATION NO. .... FILED 1425

2-096A125

APR 6 1982 - 3 20 PM

INTERSTATE COMMERCE COMMISSION

No. ....

Date APR 6 1982

Fee \$ 50.00

March 31, 1982

ICC Washington, D. C.

Secretary of the  
 Interstate Commerce Commission  
 Washington, D.C. 20423

Dear Sir:

Enclosed please find an original and two (2) certified copies of an Equipment Lease hereby being submitted for recordation. Said Equipment Lease, dated March 16, 1982 is between McCullagh Leasing, Inc., a Michigan corporation, with offices at 300 St. Paul Place, Baltimore, Maryland 21202, as Trustee for Textile Banking Company, with offices at 51 Madison Avenue, New York, New York 10010, as Lessor, and Atlantic Steel Company, a Delaware corporation, with offices at 1300 Mecaslin Street, N.W., Atlanta, Georgia 30301, as Lessee.

Included in the property covered by the aforesaid Equipment Lease is one (1) American Hoist and Derrick Company diesel locomotive crane, model 850, serial number L4288 which may be used or intended for use in connection with interstate commerce, or interests therein, owned by McCullagh Leasing, Inc., as Trustee for Textile Banking Company at the date of said Equipment Lease.

Once the filing procedure has been completed, please return the original document to William Single, III, Vice President and Counsel, McCullagh Leasing, Inc., 300 St. Paul Place, Baltimore, Maryland 21202.

McCULLAGH LEASING, INC., as Trustee  
 for Textile Banking Company

By:

H.D. Steelberg, Vice President

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

4/6/82

OFFICE OF THE SECRETARY

**William Single, III**  
**Vice President & Counsel**  
**MCCullagh Leasing, Inc.**  
**300 St. Paul Place**  
**Baltimore, Maryland 21202**

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 **4/6/82** at **3:20pm**, and assigned re-  
recording number (s). **13617**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure (s)

SE-30  
(7/79)

EQUIPMENT LEASE

APR 6 1982-3 20 PM

INTERSTATE COMMERCE COMMISSION

*Doc*  
*W.D.M.*  
*2/9/82*

THIS EQUIPMENT LEASE, made and entered into as of the 16th day of March, 1982 ("Effective Date") by and between McCULLAGH LEASING, INC., a Michigan corporation, not in its individual capacity, but solely as Trustee for Textile Banking Company under a Trust Agreement (the "Trust Agreement"), with offices at 300 St. Paul Place, Baltimore, Maryland ("Lessor") and ATLANTIC STEEL COMPANY, ~~INCORPORATED~~, a Delaware corporation with offices at 1300 Mecaslin N.W., Atlanta, Georgia 30301, ("Lessee").

WHEREAS, Lessee desires that Lessor from time to time acquire acceptable equipment, personal property and goods, of a type and in amounts as the parties may from time to time agree, together with all the attachment additions, components, parts, accessions, and attachments, from time to time attached thereto or incorporated therein, (which are collectively hereinafter referred to as the "Equipment" and severally hereinafter referred to as an "Item of Equipment") and lease the same to Lessee, and

WHEREAS, a full description of the Equipment and the terms and conditions with respect to the leasing thereof shall be set forth in equipment schedules to be executed by Lessor and Lessee and thereafter attached hereto and by reference made a part hereof, the forms of which are presently attached hereto as Exhibit 1 ("Schedules" and which Schedules and this Equipment Lease are together hereafter referred to as the "Lease"), and

WHEREAS, Lessor is willing to acquire and lease all of the Equipment upon the terms and conditions hereof.

NOW, THEREFORE, THIS LEASE WITNESSETH:

That for and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Lessor and Lessee agree as follows:

1. TERM. This Lease shall become effective on and after the Effective Date. However, the term of this Lease with respect to any Item of Equipment shall be set forth in the Schedule relating thereto and shall continue until the expiration or termination thereof as herein provided and shall include all renewals or extensions thereof.

2. RENT. Lessee shall pay rent to Lessor for the Equipment, without any deduction or setoff as specified in each Schedule (which, together with all sums and amounts from time to time due hereunder or under any Schedule are sometimes hereinafter referred to as "Rentals"). This Lease is a net lease, and Lessee shall not be entitled to any abatement of Rentals or any reduction thereof under any circumstances or for any reason whatsoever, except as

expressly provided herein upon the payment of the Stipulated Loss Value or Termination Value. Lessee hereby waives any and all existing or future claims to any offset against the Rentals (except for a breach of Lessor's Warranty of Title to Equipment) and agrees to pay the same regardless of any offset or claim which may be asserted in the proceedings by Lessee or on its behalf in connection with this Lease or the Equipment. Time is of the essence of this Lease. However, nothing contained in this Section 2 shall preclude Lessee from assenting separately any claim which it might otherwise have against Lessor.

3. REPORTS. Lessee will furnish Lessor within one hundred twenty (120) days after the end of each fiscal year of Lessee, a balance sheet of Lessee as at the end of such year, and the related earnings statement of Lessee for such fiscal year, all in reasonable detail in corresponding and comparative form and certified by independent certified public accountants of recognized standing, selected by Lessee.

4. AUTHORIZATION AND CERTIFICATION. Prior to Lessee's acceptance and use of the Equipment, Lessor shall receive the following, in form and substance satisfactory to Lessor:

(a) Certificate of the Secretary or an Assistant Secretary of Lessee certifying (i) resolutions of the Board of Directors or Executive Committee of Lessee authorizing the leasing of the Equipment, the execution, delivery and performance of this Lease, and all related instruments and documents (collectively the "Documents" and severally a "Document"); and (ii) the incumbency and signature of the officers of Lessee authorized to execute the Documents. In the case of a certification of action by Lessee's Executive Committee, there shall be included a certified extract of Lessee's by-laws evidencing the authority of the Executive Committee to take such action absent Board of Directors approval;

(b) Evidence satisfactory to Lessor as to due compliance with the insurance provisions of Section 12;

(c) An opinion of counsel for Lessee satisfactory to Lessor as to each of the matters set forth in sub-parts (a) through (e) inclusive of Section 5 hereof and such other matters as Lessor may reasonably request.

(d) The execution and filing of such financing statements or notifications reflecting Lessor's ownership and the leasing of the Equipment;

(e) Equipment purchase orders approved in writing by Lessor ordering the Equipment or purchase order assignments;

(f) In the cases of Equipment which in the opinion of Lessor are or may become fixtures or which are kept on premises not owned by Lessee and may in Lessor's opinion become subject to a claim by the owner of such premises, Lessor shall be furnished an agreement in form and content acceptable to Lessor executed and

acknowledged by the owner of such location and filed or recorded as requested by Lessor providing among other things, for the waiver and/or subordination of the claims of the owner of such premises against the Equipment;

(g) If the Equipment is a motor vehicle, it shall be titled, licensed and registered in Lessor's name as owner in such jurisdictions as may be required in order that same may be lawfully used by Lessee; and

(h) The compliance with such conditions of credit approval as are established by Lessor.

5. LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants that:

(a) Lessee is a corporation duly organized, existing and in good standing under the laws of the state of its incorporation and is duly qualified as a foreign corporation authorized to transact business in, is in good standing under the laws of, each state where necessary for Lessee to carry on its business as presently conducted;

(b) The leasing of the Equipment from Lessor by Lessee, the execution, delivery, and performance of the Documents and compliance by Lessee with the terms thereof, (i) have been duly and legally authorized by appropriate corporate action taken by Lessee; and (ii) are not in contravention of, and will not result in a breach of, the terms of Lessee's Charter, its By-Laws, any provisions relating to shares of the stock of Lessee, any loan agreements or indentures of Lessee, or any other contract, agreement or instrument to which Lessee is a party or by which it or its property is bound. Lessee has adequate corporate power to lease the Equipment from Lessor under this Lease;

(c) The Documents, when delivered to Lessor, will constitute valid and legally binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except as limited by applicable bankruptcy, insolvency, reorganization or moratorium laws, however, none of such laws now in force will make the rights and remedies provided in any Document taken as a whole, inadequate for enforcing payment of the Rentals and for enforcing the rights created in the Documents;

(d) The right, title and interest of Lessor in and to the Equipment and the Rentals will not be adversely affected or impaired by the terms of any loan agreement or indenture or any other contract, agreement or instrument to which Lessee is a party, or by which it or its property is bound. There are no suits or administrative proceedings before any governmental agency or entity having jurisdiction now pending or threatened against Lessee which, if decided adversely to Lessee, would materially adversely affect or impair the title of Lessor to the Equipment, its ability to enforce any right in any Document or the performance of any obligation of Lessee contained in any Document;

(e) The Equipment shall at all times be considered and consist solely of personal property and chattels and not realty under the law of any state in which it is or may be located, and in no event shall it be classified otherwise, in whole or in part, irrespective of its use or manner of attachment to real property;

(f) The financial statements of Lessee (copies of which have been furnished to Lessor) fairly present Lessee's financial condition and the results of its operations as of the date of and for the period covered by, such statements, and since the date of such statements there has been no material adverse change in such conditions or operations;

(g) The Asset Guideline Class(es) shown in the applicable Schedule is appropriate to the Equipment to which it is related;

(h) At the time the Lessor become the owner of the Equipment and continuing throughout the term of the Lease each Item of Equipment will constitute "qualified leased property" within the meaning of Section 168 (f) (8) of the Internal Revenue Code of 1954, as amended (the "Code");

(i) The Lessee will not at any time use or fail to use any Item of Equipment in such a way as to disqualify it as "Section 38 property" within the meaning of Section 48(a) of the Code. Lessee will maintain sufficient records to verify such use, which records will be furnished to Lessor within thirty days after receipt of a written demand therefor;

(j) Lessee shall not make any addition, modification or improvement ("Improvement") to the Equipment under or pursuant to the terms or conditions of this Equipment Lease or otherwise, which would (i) cause the Lessor to include such Improvements in its gross income for Federal, State or Local income tax purposes; or (ii) result in a decrease in the Fair Market Value of the Equipment;

(k) Lessee shall prepare and file any necessary report, return or statement with the Internal Revenue Service indicating among other things, that Lessor and Lessee have elected to have the provisions of Section 168 (f) (8) of the Code apply to this Lease and the Equipment; and

(l) The address of Lessee shown above shall be deemed to be its location and its principal place of business for the purposes of the Uniform Commercial Code.

(m) Lessee shall cooperate with the Lessor in preparing and filing any information return concerning their election to have the provisions of Section 168 (f) (8) of the Code apply to this Lease and Equipment. Such information return shall be timely filed and conform with the requirements set forth in the Temporary Income Tax Regulations under the Economic Recovery Tax Act of 1981 (the "Regulations") Section 5C. 168 (f) (8)-2.

6. DELIVERY: INSPECTION AND ACCEPTANCE BY LESSEE. Each Item of Equipment shall be delivered to Lessee as agreed between Lessor and Lessee. Upon tender of delivery, Lessee will inspect the Equipment and, if the same is in satisfactory condition, shall, execute and deliver to Lessor a Schedule in form and content acceptable to Lessor setting forth a complete description of such Equipment; whereupon, the same shall be deemed to have been finally accepted by Lessee pursuant to the Lease.

Lessor shall not be liable for loss or damage occasioned by any cause, circumstance or event of whatsoever nature, including, but not limited to, failure of or delay in delivery, delivery to the wrong place, delivery of improper Equipment or property other than the Equipment, damage to the Equipment, governmental regulations, strike, embargo or other cause, circumstance or event, whether of like or unlike nature. All packing, crating, freight, express, cartage, installation, service, use, sales, excise and import charges, expenses and taxes, recordation and titling fees and charges, and all other charges, expenses and taxes incurred in connection with Lessor's purchase of the Equipment and the shipment, delivery, installation and servicing of the Equipment by the manufacturer or supplier thereof or by any other party shall be the responsibility of Lessee and at the sole option of Lessor may be capitalized by Lessor by inclusion in the Rentals, or expensed unless otherwise agreed in writing.

7. USE AND MAINTENANCE. (a) Lessee shall use the Equipment solely within the Continental United States, in the conduct of its business and in a careful and proper manner, and will not change the principal location of any Equipment from that specified in the applicable Schedule without the prior written consent of Lessor.

(b) Lessee at its sole cost and expense will keep and maintain the Equipment in as good and operating condition as when delivered to Lessee, ordinary wear and tear resulting from proper use alone excepted and will provide all maintenance and service and will make all repairs necessary for such purpose. Without limiting the generality of the foregoing Lessee will keep and comply with all rules, regulations or orders issued by any government agency having jurisdiction and Lessee shall maintain Equipment with at least equal service and in at least as good condition as it maintains goods similar to the Equipment owned by it.

(c) In addition, if any parts or accessories forming part of the Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee at its sole expense, will promptly replace such parts or accessories, or cause the same to be replaced, by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All parts and accessories, which are added to or become attached to the Equipment which are essential to the operations of the Equipment or which

cannot be detached from it without materially interfering with its operation or adversely affecting its value and utility and all replacements, replacement parts and repairs shall immediately become the property of Lessor, and shall be deemed incorporated in the Equipment and subject to the terms of this Lease as if originally leased hereunder. Lessee shall not make any material alterations to the Equipment without the prior written consent of Lessor.

(d) Lessor shall have the right to inspect the Equipment at any reasonable time.

#### 8. EXCLUSION AND DISCLAIMER OF WARRANTIES.

(a) LESSOR IS NOT A MANUFACTURER, THE AGENT OF A MANUFACTURER OR ENGAGED IN THE SALE OR THE DISTRIBUTION OF EQUIPMENT. IT MAKES NO REPRESENTATIONS, PROMISES, STATEMENTS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PURPOSE OF THE EQUIPMENT OR OTHERWISE, INCLUDING BUT NOT LIMITED TO FITNESS FOR USE, DESIGN OR CONDITION OF THE EQUIPMENT, THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE WORKMANSHIP IN THE EQUIPMENT, THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS. LESSEE AGREES THAT LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LOSS, CLAIM, DEMAND, LIABILITY, COST, DAMAGE OR EXPENSE OF ANY KIND OR CHARACTER CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT OR BY ANY INADEQUACY THEREOF OR ANY DEFECT THEREIN OR THE USE OR MAINTENANCE THEREOF OR ANY REPAIR, SERVICING OR ADJUSTMENT THERETO, ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER OR HOWSOEVER CAUSED, WHETHER ANY SUCH DAMAGE BE DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL TO THE FOREGOING. Lessor shall not be liable or responsible for personal injury or loss or destruction of any other property resulting from the Equipment.

(b) Lessor assigns to Lessee during the lease term of the Equipment, any warranty of the manufacturer, express or implied, issued on the Equipment and assignable and authorizes Lessee to obtain the customary services furnished by the manufacturer in connection therewith at Lessee's expense. Lessee shall settle all claims directly with the manufacturer, but no such claim shall affect in any manner the unconditional obligation of Lessee to pay Rentals.

#### 9. FEEES AND TAXES.

(a) To the extent permitted by law, Lessee shall file any necessary report and return for, and pay promptly when due, otherwise shall be liable to reimburse Lessor for, and agrees to indemnify and hold Lessor harmless from, all titling, recordation, registration and other fees, taxes, including but not limited to sales, use, highway use, excise, gross receipts, personal property, franchise or other taxes (exclusive of any net income tax levied against Lessor on or measured by Rentals or the net income therefrom or the net worth of Lessor or state of Georgia intangible tax,

unless such taxes are in substitution for or relieve Lessee from the payment of any taxes which Lessee would otherwise be required to pay pursuant hereto); assessments and all other charges or withholdings of any nature (together with any penalties, fines or interest thereon) arising at any time prior to or during the term of this Lease, or upon the return of the Equipment to Lessor, upon or relating to the Equipment or this Lease or the acquisition, ownership, possession, shipment, transportation, use, operation, leasing, delivery, return or disposition of the Equipment, or upon the Rentals, whether the same be assessed to Lessor or Lessee. All such titling, recordation and other fees, taxes, assessments and other charges and withholding (including penalties, fines or interest thereon) are hereinafter referred to as "Impositions". It is the intention of the parties that Lessor may be free from all Impositions and that this Lease shall yield to Lessor not less than the Rentals throughout the term of this Lease. Lessor shall forward any statements for Impositions received by Lessor to Lessee.

(b) If any report or return for, or property listing in connection with, or, any Imposition, is required to be filed by, assessed or billed to, or paid by Lessor, Lessee at its own expense will do any and all things required to be done by Lessor in connection with the filing, levy, assessment, billing or payment of such report, return, Imposition or charge after obtaining the prior written consent of Lessor. Lessee at its sole cost and expense may act for and on behalf of Lessor in any and all respects, including, but not limited to, the contest or protest, in good faith and by appropriate proceedings, of the validity of any Imposition or the amount thereof. Lessee, while acting on behalf of Lessor, shall not take any positions inconsistent with any positions of Lessor. Such contest may be in the name of Lessee and/or Lessor as may reasonably be required. Lessor shall fully cooperate with Lessee in any such contest, and Lessee shall promptly indemnify Lessor for all reasonable expenses incurred by Lessor in the course of such cooperation. A claim for any Imposition shall be paid, subject to refund proceedings, if failure to pay would adversely affect any title, property or right of Lessor. If Lessor obtains a refund of any Imposition which has been paid (by Lessee, or by Lessor and for which Lessor has been reimbursed by Lessee), Lessor shall promptly pay such refund to Lessee, if Lessee is not then in Default hereunder.

(c) To the extent permitted by law Lessee will cause all billings of Impositions to Lessor to be made to Lessor in care of Lessee and will, in preparing any report or return required by law, designate Lessor as owner of the Equipment and shall send a copy of any such report or return to Lessor.

(d) If Lessee fails to pay any Imposition when due, except any Imposition being contested in good faith and by appropriate proceedings, as above provided, within a reasonable period of time, Lessor at its option may pay the same, in which event the amount so paid (including any penalty or interest incurred as a result of Lessee's failure), plus interest thereon at the rate set forth in Section 23 hereof, shall be paid by Lessee to Lessor with the next payment of Rental, or within thirty (30) days, whichever first occurs.

(e) The obligations of Lessee under this Section, which accrue after the Effective Date of this Lease, shall survive the termination thereof.

10. TITLE. Title to the Equipment shall at all times remain in Lessor, and Lessee shall have no right, title or interest therein except as a lessee as expressly set forth herein. Lessee shall obtain and cause to be recorded, where appropriate, at its own expense, from each landlord, owner, mortgagee or any person having an encumbrance or lien on the real property where the Equipment is to be located, waivers of any lien, encumbrance or interest which such person might have or hereafter obtain or claim with respect to the Equipment. Lessee shall maintain the Equipment free from all claims, liens and legal processes of creditors of Lessee and all persons claiming by through or under Lessee and defend, at its own expense, Lessor's title to the Equipment from such claims, liens or legal processes. Lessee shall notify Lessor immediately upon receipt of notice of any lien, attachment or judicial proceeding affecting any Item of Equipment.

#### 11. INSURANCE

(a) Lessee, on and after the Effective Date, shall insure the Equipment against all insurable risks of loss or damage from every cause whatsoever for not less than the greater of the full replacement value or the Stipulated Loss Value (as defined in Section 13). Lessee shall also carry public liability insurance, both personal injury and property damage, covering the Equipment, with a single limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. All said insurance shall be in form and amount and with companies to the reasonable satisfaction of Lessor. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor, and Lessor shall be named as an additional insured with respect to all such liability insurance. Lessee shall pay the premiums therefor and deliver to Lessor acceptable certificates of such insurance coverage. Each insurer shall agree, by endorsement upon the policies issued by it or by independent instrument furnished to Lessor, that: (i) it will give Lessor (30) days prior written notice of the effective date of any material alteration or cancellation of such policy; and (ii) the coverage of Lessor shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Lessee of any warranties, declarations or conditions of such insurance policy or policies.

(b) The proceeds of such insurance payable as a result of loss of or damage to the Equipment shall be applied, as required by Section 13: (i) toward the replacement, restoration or repair of the Equipment which may be lost, stolen, destroyed or damaged, or (ii) toward payment of the obligations of Lessee hereunder.

12. LOSS AND DAMAGE. (a) Lessee assumes and shall bear the entire risk of direct and consequential loss and damage to the Equipment from any and every cause whatsoever on and after the Effective Date. Except to the extent provided in this Section for

discharge upon payment of Stipulated Loss Value or Fair Market Value, no loss or damage to the Equipment or any part thereof shall release or impair any obligations of Lessee under this Lease, which shall continue in full force and effect and shall be absolute during the term hereof. In the event of any loss or damage to any Item of Equipment, Lessee, shall, at Lessee's expense (reduced by the application of any insurance proceeds actually paid pursuant to Section 12(c) hereof); (i) place the same in good repair, condition and working order; or (ii) replace the same with like goods of the same or equivalent make and of the same or later model and in good repair, condition and working order.

(b) The foregoing notwithstanding, if any Item of Equipment shall become worn out, lost, stolen, destroyed or irreparably damaged (as established to the reasonable satisfaction of Lessor, any such occurrence being herein referred to as a "Total Loss") during the term of this Lease, Lessee shall give Lessor the Rental due on that date plus the Stipulated Loss Value of Equipment with respect to which the Total Loss has occurred and any other sums due hereunder with respect thereto.

(c) Upon payment for an Item of Equipment, this Lease shall terminate as to such Item and Lessee shall become entitled to such Item AS IS, WHERE IS AND WITHOUT WARRANTY, express or implied, with respect to any matter whatsoever. Lessor shall deliver to Lessee a bill of sale transferring and assigning to Lessee without recourse or warranty, all of Lessor's right, title and interest in and to such Item of Equipment. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of such Item of Equipment or any other matters.

(d) As used in this Lease, "Stipulated Loss Value" shall mean the product of the Total Invoice Cost (as designated on the appropriate Schedule) of the relative Item of Equipment and the applicable percentage factor set forth on the Schedule of Stipulated Loss Values attached to the applicable Schedule. Stipulated Loss Value shall be determined as of the next date on which a payment of Rental is or would be due after a Total Loss or other termination of this Lease, after payment of any Rental due on such date, and the applicable percentage factor shall be that which is set forth with respect to the most recent Rental payment actually paid.

13. REDELIVERY. Unless Lessee has purchased the Equipment, hereunder upon the expiration or earlier termination of this Lease, Lessee shall (unless Lessee has paid the Stipulated Loss Value with respect to the relevant Equipment), at its own expense, return the Equipment to Lessor in the same condition as when delivered to Lessee, ordinary wear and tear resulting from proper use thereof alone excepted, and free and clear of all Impositions, liens, encumbrances or rights of others whatsoever except liens or encumbrances resulting from claims against Lessor not relating to the ownership of such Equipment, by the delivery of the Equipment to such place as Lessor shall specify. In addition, Lessor may store any Item of Equipment at the Location for a period not to exceed 180 days, after which Lessee shall deliver such Items to Lessor as

provided above. If, in the reasonable opinion of Lessor, repairs are necessary, to place the Equipment in the condition required hereunder, Lessee agrees to pay the reasonable cost of such repairs and shall pay Lessor reasonable rent for the period of time reasonably necessary to accomplish such repairs.

14. OPTION TO PURCHASE. (a) If Lessee is not then in Default, Lessee shall have the option to purchase, and in any event shall upon demand of Lessor shall have the obligation to purchase upon the expiration of the term of this Lease, if applicable, all but not less than all of the Equipment on a Schedule for a cash purchase price equal to the taxes and purchase price specified in the applicable Schedule plus all charges upon sale.

(b) If Lessee desires to exercise this option it shall, at least one hundred eighty (180) days before expiration of the term of this Lease, give Lessor written notice of its election to purchase and shall, upon the expiration of the term of this Lease, pay to Lessor in cash the Purchase Price for the Equipment so purchased.

(c) Notwithstanding any election of Lessee or Lessor respecting purchase, the provisions of this Lease shall continue in full force and effect until the passage of ownership of the Equipment upon the date of purchase. On the date of purchase, Lessor shall deliver to Lessee a bill of sale transferring and assigning to Lessee without recourse or warranty, except in respect of Lessor's acts, all of Lessor's right, title and interest in and to the Equipment. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of the Equipment or any other matters.

15. INTENT. It is intended that this agreement constitute a lease, including without limitation a lease within the meaning of Section 168 (f) (8) of the Code, and in no event be construed as a sale of the Equipment. Lessor and Lessee elect that the provisions of said Section 168 (f) (8) apply to this Lease. Lessee shall acquire no ownership, title, property, right, or interest or any option therefor other than as may be expressly provided herein in the Equipment, other than its leasehold interest solely as Lessee subject to all the terms and conditions hereof.

16. INDEMNITY.

16(a) Lessee assumes and agrees to indemnify, protect, save and keep harmless Lessor, its agents, servants and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, actions and causes of action, including legal

expenses, of whatsoever kind and nature, arising on account of the ordering, acquisition, delivery, installation or rejection of the Equipment, the possession, maintenance, use, condition (including without limitation, latent and other defects and whether or not discoverable by Lessor or Lessee, and any claim in tort for strict liability) ownership, delivery, transportation, operation, the loss, damage, destruction, removal, return or surrender of the Equipment, or any item thereof on and after the Effective Date. However, Lessor shall give Lessee prompt notice of any notice received by Lessor in writing of any claim or liability hereby indemnified against.

(b) Except as otherwise provided in subsection (d) below, if by reason of any act of the Lessee, failure to act by the Lessee, or the misrepresentation of or breach by the Lessee of any of the warranties and representations set forth in Section 5 of this Lease, the Lessor in computing its taxable income or liability for tax, shall either lose, or shall not have, or shall lose the right to claim or shall not be allowed, or shall have had recaptured, all or any portion of

(i) for Lessor's current and subsequent taxable years, the benefit of deductions with respect to any Item of the Equipment in accordance with the Accelerated Cost Recovery System set forth in Section 168 of the Code; or

(ii) for Lessor's current and subsequent taxable years, the investment tax credit provided for in Sections 38 and 46 through 50 of the Code with respect to the Equipment, or any part thereof, as shown on the relevant Schedule, and Lessor has not elected to pass through any such credit to Lessee; or

(iii) for Lessor's current and subsequent taxable years, any similar benefit or credit with respect to any item of the Equipment which Lessor might have received under the income tax law of any State;

(any such loss disallowance or recapture being called herein a Loss) then the Lessee shall pay to the Lessor, upon written notice to the Lessee from the Lessor, such amount as after deduction of all taxes required to be paid by Lessor in respect of the receipt of any such amount thereof under the laws of any federal, state or local government or taxing authority in the United States and after deduction of any interest, penalties or additions to taxes payable by Lessor in connection with the Loss, shall cause the Lessor's after-tax rate of return over the term of the Lease, to equal the after-tax rate of return that would have been available if no such Loss had occurred. Upon payment of such amount the Stipulated Loss Values and Termination Values shall be appropriately adjusted.

(c) If for any reason whatsoever all or any part of the cost of any Improvement, repair or replacement made by the Lessee under and pursuant to the terms of the Lease or otherwise to any Item of Equipment is required to be included in the Lessor's gross

income for federal, state or local income tax purposes for any period prior to the termination or expiration of the lease term of such Item and Lessor is not entitled to currently deduct such cost, the Lessee will pay Lessor on demand, (i) an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of any federal, state or local government or taxing authority in the United States, shall be equal to the sum of the net additional federal, state or local income taxes payable by Lessor from time to time as a result thereof, plus (ii) the amount of any interest, penalties or additions to taxes payable as a result thereof.

(d) Lessor shall be responsible for, and shall not be entitled to a payment by Lessee under subsection (b) of this Section on account of, any Loss arising solely as a direct result of the occurrence of any one or more of the following events; (i) a disqualifying disposition due to sale of any Item of Equipment or this Lease by Lessor prior to any Default by Lessee; or (ii) the failure of Lessor to timely and properly claim investment tax credit (if Lessor has not elected to pass through such credit to Lessee) or the benefit of the Accelerated Cost Recovery System for the Equipment in its tax return (iii) the failure of the Lessor to have sufficient liability for Federal income taxes against which to credit such investment tax credit (if Lessor has not selected to pass through such credit to Lessee) or sufficient taxable income to offset the full amount of any benefit of the Accelerated Cost Recovery System; or (iv) any event which by the terms of this Lease require payment by Lessee of the Termination Value or Stipulated Loss Value of the Equipment, if such Termination Value or Stipulated Loss Value is thereafter actually paid by Lessee to Lessor, to the extent that such payment reimburses Lessor for amounts otherwise payable by Lessee pursuant to subsection (b) of this Section.

(e) Lessor promptly shall notify Lessee in writing of any Loss and Lessee shall pay to Lessor the amount required under subsection (b) of this Section within thirty (30) days of such notice. For purposes of this Section, a Loss shall occur upon the earliest of (i) the happening of any event (such as disposition or change in use of any Item of Equipment) which may cause such Loss; (ii) a Revenue Agent's adjustment of Lessor's tax return to reflect such Loss.

(f) The obligations of Lessee under this Section, which accrue during the term of this Lease, shall survive the termination of this Lease.

(g) With respect to the provisions of this Section 19; references to "Lessor" shall mean and be deemed to include any member of an affiliated group, as defined in Section 1504 of the Code, which files a consolidated return for Federal income tax purposes with the Lessor.

(h) In the event of any change in or amendment to said Section 168 (f) (8) of the Internal Revenue Code, or any interpretation thereof, which, in the opinion of Lessor, may result in Lessor incurring or realizing a Loss, as defined herein, Lessee,

in addition to all other sums due under this Lease, will pay to Lessor, on demand, such amount as shall cause the Lessor's after-tax rate of return over the term of the Lease to equal the after-tax rate of return that would have been realized by Lessor if no such Loss had occurred.

17. DEFAULT: REMEDIES. Lessee shall be in default hereunder ("Default") if (a) Lessee refuses to accept delivery of the Equipment, except as provided in Section 6; (b) Lessee shall fail to pay any Rental within thirty (30) days after the same shall have become due and such default shall continue for ten days after written notice thereof to Lessee; (c) Lessee shall fail to comply with the provisions of Section 12 hereof; (d) 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 to Lessee by Lessor; (e) 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 for a period of sixty (60) days; (f) bankruptcy, arrangement, reorganization or insolvency proceedings shall be instituted by or against Lessee and, if instituted against Lessee, shall not be dismissed within sixty (60) days; (g) the occurrence of any event described in sub-parts (e) or (f) hereof with respect to any guarantor or any other party liable for payment or performance of this Lease; (h) any certificate, statement, representation, warranty or audit contained herein or heretofore or hereafter furnished with respect hereto by or on behalf of Lessee or any guarantor or other party liable for payment or performance of this Lease proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Lessee or any such guarantor or other party; or (i) Lessee shall be in default under any obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent under any lease agreement covering real or personal property, and the applicable grace period with respect thereto shall have expired under which the aggregate liability of Lessee exceeds five million dollars and the obligation shall not be contested in good faith by appropriate legal proceedings or;

In the event of Default on the part of Lessee hereunder, Lessor may, at its option, with ten days written notice of its election declare this Lease to be in default, and at any time thereafter, may do any one or more of the following, all of which are hereby authorized by Lessee:

(a) declare the then Stipulated Loss Value of the Equipment (determined as of the next date on which a payment is or would have been due after the declaration of a Default), together with all Rentals then due hereunder with respect to such Equipment, immediately due and payable with respect to any or all of the Equipment; (b) sue for and recover all Rentals then accrued or

thereafter accruing, with respect to any or all of the Equipment, (c) take possession of and render unusable any or all of the Equipment, wherever it may be located, without any court order or other process of law and without liability for any damages occasioned by such taking of possession (any such taking of possession shall not constitute a termination of this Lease as to such Equipment unless Lessor expressly so notifies Lessee in writing); (d) require Lessee to assemble any or all of the Equipment at the location to which the Equipment was delivered or the location to which such Equipment may have been moved by Lessee or such other location in reasonable proximity to either of the foregoing as Lessor shall designate; or to return promptly, at Lessee's expense, any or all of the Equipment to Lessor at the location, in the condition and otherwise in accordance with all of the terms of Section 14 hereof; (e) sell or otherwise dispose of any or all of the Equipment, whether or not in Lessor's possession, in a commercially reasonable manner at public or private sale and with ten days written notice to Lessee, and apply the net proceeds of such sale, after deducting all costs of such sale (including but not limited to costs of transportation, repossession, storage, refurbishing, advertising and brokers' fees), to the obligations of Lessee hereunder with Lessee remaining liable for any deficiency and Lessor having no obligation to reimburse Lessee on account of any excess of such reasonable value over such obligations; (f) terminate this Lease as to any or all of the Equipment; or (g) exercise any other right or remedy available to Lessor at law or in equity.

A termination hereunder shall occur only upon written notice by Lessor to Lessee and only with respect to such Items of Equipment as Lessor specifically elects to terminate in such notice. Except as to such Items of Equipment, this Lease shall remain in full force and effect and Lessee shall be and remain liable for the full performance of all of its obligations hereunder.

Lessee shall be liable for all actual attorneys' fees, legal fees and costs and expenses incurred by reason of any Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Equipment in accordance with the terms of Section 14 hereof or in placing such Equipment in the condition required by said Section. No right or remedy referred to in this Section is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity and may be exercised concurrently or separately from time to time.

The failure of Lessor to exercise the rights granted hereunder upon any Default by Lessee shall not constitute a waiver of any such right upon the continuation or recurrence of any such Default.

18. ASSIGNMENT BY LESSOR AND LESSEE. Lessee shall not assign, sell, transfer or encumber any of its rights hereunder, sublet the Equipment or otherwise permit the Equipment to be operated or used by, or to come into or remain in the possession of, anyone but Lessee without the prior written consent of Lessor except, Lessee

may, without violating any provisions of this agreement, consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, or transfer all or substantially all of its assets to another corporation, but only on condition that (i) the assignee corporation or the corporation resulting from or surviving such merger (if other than the Lessee) or consolidation or the corporation to which such transfer is made shall expressly assume and agree in writing to perform all of the Lessee's obligations under this Lease, and shall be duly qualified to do business in Georgia, and (ii) in connection with any such consolidation or merger there shall be filed with the Lessor, a letter from an independent certified public accountant (or firm thereof) certifying that after the consummation of such consolidation or merger will have an excess of assets over liabilities at least as great as the Lessee would have had if such consolidation or merger had not occurred or, in connection with any such transfer there shall be filed with Lessor a letter from an independent certified public accountant (or firm thereof) certifying that immediately following the consummation of such transfer the corporation to which such transfer is to be made will have an excess of assets over liabilities at least as great as the Lessee would have if such transfer has not been made. If the Guarantor is the surviving corporation in such a merger the express assumption referred to in (i) above shall not be required but the letter of an independent certified public accountant (or firm thereof) shall be filed as indicated in (ii) above. Notwithstanding the foregoing, Lessee may sublease or assign any of the Equipment provided, however, (i) any such sublease use arrangement or assignments shall be subject to the terms of this Lease; (ii) such sublease or assignment of Lessee's interest in the Lease or in the Equipment is in accordance with the requirements of Regulations Section 5C. 168 (f) (8)-2 and -8 and (iii) such sublease shall not be one for which a Section 168 (f) (8) election is made as provided in Regulation Section 5C. 168 (f) (8)-3(c). Lessee's interest herein shall not be assigned or transferred by operation of law. No transfer, assignment or sublease, whether authorized in this Section or in violation of the terms hereof, shall relieve Lessee of its obligations hereunder and Lessee shall remain primarily liable hereunder.

Lessor may at any time assign all of its right, title and interest hereunder, or any part thereof, to any other person with notice to Lessee. If Lessee is given notice of any such assignment, Lessee shall acknowledge receipt thereof in writing. In the event Lessor assigns this Lease or the Rentals hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor and Lessee, should there be one, shall excuse performance by Lessee of any provision hereof, it being understood that in the event of such default or breach by Lessor that Lessee shall pursue any rights on account thereof solely against Lessor. No such assignee of Lessor shall be obligated to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Lease.

Subject to the foregoing, this Lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

19. QUIET POSSESSION. Lessor represents and warrants that Lessor has the full right and authority to enter into this Lease on the terms herein stated, and that, conditioned upon Lessee performing all of the covenants and conditions hereof, Lessee shall peaceably and quietly hold, possess and use the Equipment during the term of this Lease subject to the terms and provisions hereof.

20. LESSOR'S RIGHT TO PERFORM FOR LESSEE.

(a) If Lessee fails to perform or comply with any of its agreements contained herein, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance, and the Lessee shall pay Lessor the amount of any out of pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreement, together with interest thereon at the Prime Rate in effect at the majority of the five leading New York City banks, plus Two Percent (2%) (but not in excess of the highest rate permitted by law), with the next payment of Rental or within thirty days, whichever first occurs.

(b) In the event that any Rentals or other payment due hereunder shall not have been paid on the date on which it becomes due and payable, Lessor may collect, and Lessee hereby agrees to pay, a charge computed at the rate provided in subsection (a) on the amount in arrears for the period such amount remains unpaid. Lessee agrees that in the event that Lessee is in Default and this Lease is placed for collection in the hands of an attorney who is not a salaried employee of Lessor, to pay actual attorney's fees plus court costs.

(c) Notwithstanding any other provision of this Agreement to the contrary, Lessor shall not charge or collect any charge or interest at a rate greater than it may lawfully enforce against Lessee or which is in violation of any law.

21. NOTICE. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, sent by certified mail, return receipt requested, addressed to the other party at its respective address shown at the beginning of this Lease or at such other address as such party shall from time to time designate in writing to the other; and shall be effective from the date of mailing.

22. FURTHER ASSURANCES. Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

23. MISCELLANEOUS. This Lease and all Schedules executed pursuant hereto, constitute the entire agreement between the parties with respect to the subject matter hereof and shall not be amended

or altered in any manner except by a document in writing executed by both parties. Each execution of a Schedule subsequent to any executed concurrently herewith shall constitute a reaffirmation of the terms and conditions hereof; in no event shall the execution of a subsequent Schedule constitute a waiver by Lessor of any pre-existing Default in the performance of the terms and conditions hereof.

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. The captions in this Lease are for convenience of reference only and shall not be used to construe or interpret any of the terms or provisions hereof.

24. MARYLAND LAW GOVERNS. Neither this Lease nor any Schedule shall be effective unless and until accepted by execution by an officer of Lessor at the address of Lessor in the State of Maryland, shown at the beginning of this Lease. This Lease, all Schedules, and the rights and obligations of the parties hereunder and thereunder shall in all respects be governed by, and construed in accordance with, the laws of the State of Maryland, including all matters of construction, validity and performance, regardless of the location of the Equipment.

IN WITNESS WHEREOF, Lessee has caused its corporate name to be signed hereto and its corporate seal to be hereunto affixed as of the date first above written.

(Corporate Seal)

ATLANTIC STEEL COMPANY  
INCORPORATED *[Signature]*

By *[Signature]* President  
W. O. RILEY (Title)

ATTEST:

*[Signature]*  
Secretary

Accepted and agreed to as of the date thereof at Baltimore, Maryland.

McCULLAGH LEASING, INC., as  
Trustee for Textile Banking  
Company

*[Signature]*  
3

State of Georgia  
County of Fulton, ss

On this 16<sup>th</sup> day of March, 1982,  
before me personally appeared W. O. Belton  
to me personally known, who being by me duly sworn, says that he is  
the President of Atlantic Steel Company, Incorporated,  
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  
or the Executive Committee of its Board of Directors, and he  
acknowledged that the execution of the foregoing instrument was the  
free act and deed of said corporation.

*[Handwritten initials]*

[Seal] Brenda Lovett

Notary Public, Georgia, State at Large  
My Commission Expires Aug. 18, 1984

My commission expires \_\_\_\_\_.

State of Ark.  
County of Franklin, ss

On this 19<sup>th</sup> day of March, 1982,  
before me personally appeared W. O. Belton  
to me personally known, who being by me duly sworn, says that he is  
the President of McCullagh Leasing, Inc., that the seal  
affixed to the foregoing instrument is the corporate seal of said  
corporation, that said instrument was signed and sealed on behalf of  
said corporation by authority of its Board of Directors or the  
Executive Committee of its Board of Directors, and he acknowledged  
that the execution of the foregoing instrument was the free act and  
deed of said corporation.

[Seal] Clifford J. Price

My commission expires July 1, 1982.

*[Handwritten initials]*

2322C #1  
WS, III/mah  
3/19/82

(To be used for Equipment acquired by Lessor and delivered, accepted and placed in service in 1982 only.)

SCHEDULE 1-A

THIS SCHEDULE, dated this 1<sup>st</sup> day of April, 1982 between McCULLAGH LEASING, INC., not in its individual capacity, but solely as Trustee under the Trust Agreement and its successors and assigns ("Lessor") and ATLANTIC STEEL COMPANY ("Lessee") is made a part of the Equipment Lease dated March 16, 1982 between Lessor and Lessee.

1. EQUIPMENT. The Equipment leased hereunder is described in the attached Exhibit 1, the Total Invoice Cost of which is \$29,136.40 and is located at 1300 Mecaln Street, Atlanta, Georgia, 30301 ("Location") and shall not be moved therefrom without Lessor's prior written consent.

2. TERM. Upon the delivery and acceptance of the Equipment by Lessee the Equipment shall be subject to the terms and conditions herein and in the Lease.

The Lease Term of said Equipment shall commence on the Commencement Date provided below and continue for 60 months thereafter.

3. RENT.

(a) On and after the Commencement Date the Monthly Rentals for said Equipment during the term of this Lease shall be computed as 2.0027% of the Total Invoice Cost. Rent payments shall be made, in advance, on the Commencement Date and a like payment shall be made on the first day of each month thereafter during the term of this Lease and until 60 such payments have been made.

(b) Commencement Date means April 1, 1982.

4. RECEIPT OF DELIVERY. Lessee confirms and warrants to Lessor that the above Equipment: (a) was duly delivered, accepted and placed into service by Lessee at the Location before December 31, 1982; (b) has been received, inspected and determined to be in compliance with all applicable specifications and is accepted for all purposes of the Lease; and (c) is a part of the "Equipment" referred to in the Lease, (d) is subject to all terms and conditions therein and herein and (e) all of the covenants and warranties contained in the Lease are confirmed and reaffirmed as of the date hereof.

5. ASSET GUIDELINE CLASS. The Asset Guideline Class which would be applicable to the Equipment covered by this Schedule as provided in Section 167(m) of the Code is 00.11.

6. INVESTMENT TAX CREDIT. The Investment Tax credit referred to in Section 19.(b) of the Lease, with respect to the Equipment is ten percent of the Total Invoice Cost.

7. STIPULATED LOSS VALUES AND TERMINATION VALUES. A Schedule of the Stipulated Loss Values and Termination Values is attached as Exhibit 2.

8. EARLY TERMINATION. Lessee may not terminate the lease term of the above Equipment prior to the 12th month thereof.

9. RENEWAL. Lessee may renew the term of the Lease of the above Equipment for 1 renewal term of 2 years pursuant to Section 16 of the Lease.

10. PURCHASE PRICE. The Purchase Price referred to in Section 17 of the Lease for the Equipment on this Schedule shall be 10% of the Total Invoice Cost thereof.

IN WITNESS WHEREOF, Lessee has caused its corporate name to be signed hereto and its corporate seal to be hereunto affixed by its officers thereunto duly authorized as of the date first above written.

(Corporate Seal)

ATLANTIC STEEL COMPANY

ATTEST:

Charles W. Myrland  
Secretary

By Herbert H. Warriner  
Vice-President Finance

Accepted as of the date thereof:

McCULLAGH LEASING, INC., as Trustee  
for Textile Banking Company

By James C. [Signature] VP  
(Title)

Exhibit 1 to Schedule 1-A

Lessee: Atlantic Steel Company

<u>Item</u>	<u>Quantity</u>	<u>Description</u>	<u>Serial Number</u>
Disk Storage Unit	1	IBM 3370-BI	41246

EXHIBIT 2

Number of Rental  
Payments Received

Stipulated Loss and Termination Values as  
Expressed as a Percentage of Equipment Cost

0	105.953
1	105.440
2	104.910
3	104.364
4	103.801
5	103.222
6	102.625
7	102.011
8	101.380
9	100.732
10	100.066
11	99.382
12	98.680
13	97.961
14	93.108
15	92.351
16	91.577
17	90.783
18	89.971
19	89.140
20	88.289
21	87.420
22	86.530
23	85.621
24	84.693
25	83.744
26	78.660
27	77.670
28	76.660
29	75.630
30	74.578
31	73.506
32	72.412
33	71.296
34	70.159
35	69.000

36	67.820
37	66.616
38	61.276
39	60.028
40	58.757
41	57.463
42	56.146
43	54.805
44	53.441
45	52.053
46	50.641
47	49.205
48	47.744
49	46.259
50	40.633
51	39.098
52	37.538
53	35.951
54	34.340
55	32.702
56	31.038
57	29.347
58	27.630
59	26.118
60	20.000

2322C #1-1  
WS, III/mah  
3/19/82

(To be used for Equipment acquired by Lessor and delivered, accepted and placed in service in 1982 only.)

SCHEDULE 1-B

THIS SCHEDULE, dated this 1<sup>st</sup> day of April, 1982 between McCULLAGH LEASING, INC., not in its individual capacity, but solely as Trustee under the Trust Agreement and its successors and assigns ("Lessor") and ATLANTIC STEEL COMPANY ("Lessee") is made a part of the Equipment Lease dated March 16, 1982 between Lessor and Lessee.

1. EQUIPMENT. The Equipment leased hereunder is described in the attached Exhibit 1, the Total Invoice Cost of which is \$19,343.83 and is located at 1300 Mecaslin Street, Atlanta, Georgia, 30301 ("Location") and shall not be moved therefrom without Lessor's prior written consent.

2. TERM. Upon the delivery and acceptance of the Equipment by Lessee the Equipment shall be subject to the terms and conditions herein and in the Lease.

The Lease Term of said Equipment shall commence on the Commencement Date provided below and continue for 60 months thereafter.

3. RENT.

(a) On and after the Commencement Date the Monthly Rentals for said Equipment during the term of this Lease shall be computed as 2.0027% of the Total Invoice Cost. Rent payments shall be made, in advance, on the Commencement Date and a like payment shall be made on the first day of each month thereafter during the term of this Lease and until 60 such payments have been made.

(b) Commencement Date means April 1, 1982.

4. RECEIPT OF DELIVERY. Lessee confirms and warrants to Lessor that the above Equipment: (a) was duly delivered, accepted and placed into service by Lessee at the Location before December 31, 1982; (b) has been received, inspected and determined to be in compliance with all applicable specifications and is accepted for all purposes of the Lease; and (c) is a part of the "Equipment" referred to in the Lease, (d) is subject to all terms and conditions therein and herein and (e) all of the covenants and warranties contained in the Lease are confirmed and reaffirmed as of the date hereof.

5. ASSET GUIDELINE CLASS. The Asset Guideline Class which would be applicable to the Equipment covered by this Schedule as provided in Section 167(m) of the Code is 00.242.

6. INVESTMENT TAX CREDIT. The Investment Tax credit referred to in Section 19.(b) of the Lease, with respect to the Equipment is ten percent of the Total Invoice Cost.

7. STIPULATED LOSS VALUES AND TERMINATION VALUES. A Schedule of the Stipulated Loss Values and Termination Values is attached as Exhibit 2.

8. EARLY TERMINATION. Lessee may not terminate the lease term of the above Equipment prior to the 12th month thereof.

9. RENEWAL. Lessee may renew the term of the Lease of the above Equipment for 1 renewal term of 2 years pursuant to Section 16 of the Lease.

10. PURCHASE PRICE. The Purchase Price referred to in Section 17 of the Lease for the Equipment on this Schedule shall be 10% of the Total Invoice Cost thereof.

IN WITNESS WHEREOF, Lessee has caused its corporate name to be signed hereto and its corporate seal to be hereunto affixed by its officers thereunto duly authorized as of the date first above written.

(Corporate Seal)

ATLANTIC STEEL COMPANY

ATTEST:

Charles W. Myrland  
Secretary

By Richard L. Warrick  
Vice President Finance

Accepted as of the date thereof:

McCULLAGH LEASING, INC., as Trustee  
for Textile Banking Company

By James C. Portney VP  
(Title)

Exhibit 1 to Schedule 1-B

Lessee: Atlantic Steel Company

<u>Item</u>	<u>Quantity</u>	<u>Description</u>	<u>Serial Number</u>
10-Ton Scrap Truck	1	1982 GMC/CC Model TC6D042	1GDG6DIT6CV563411

EXHIBIT 2

Number of Rental  
Payments Received

Stipulated Loss and Termination Values as  
Expressed as a Percentage of Equipment Cost

0	105.953
1	105.440
2	104.910
3	104.364
4	103.801
5	103.222
6	102.625
7	102.011
8	101.380
9	100.732
10	100.066
11	99.382
12	98.680
13	97.961
14	93.108
15	92.351
16	91.577
17	90.783
18	89.971
19	89.140
20	88.289
21	87.420
22	86.530
23	85.621
24	84.693
25	83.744
26	78.660
27	77.670
28	76.660
29	75.630
30	74.578
31	73.506
32	72.412
33	71.296
34	70.159
35	69.000

36	67.820
37	66.616
38	61.276
39	60.028
40	58.757
41	57.463
42	56.146
43	54.805
44	53.441
45	52.053
46	50.641
47	49.205
48	47.744
49	46.259
50	40.633
51	39.098
52	37.538
53	35.951
54	34.340
55	32.702
56	31.038
57	29.347
58	27.630
59	26.118
60	20.000

(To be used for Equipment acquired by Lessor and delivered, accepted and placed in service in 1982 only.)

SCHEDULE 2

THIS SCHEDULE, dated this 1<sup>st</sup> day of April, 1982 between McCULLAGH LEASING, INC., not in its individual capacity, but solely as Trustee under the Trust Agreement and its successors and assigns ("Lessor") and ATLANTIC STEEL COMPANY ("Lessee") is made a part of the Equipment Lease dated March 16, 1982 between Lessor and Lessee.

1. EQUIPMENT. The Equipment leased hereunder is described in the attached Exhibit 1, the Total Invoice Cost of which is \$500,567.88 and is located at 1300 Mescaslin Street, Atlanta, Georgia, 30301 ("Location") and shall not be moved therefrom without Lessor's prior written consent.

2. TERM. Upon the delivery and acceptance of the Equipment by Lessee the Equipment shall be subject to the terms and conditions herein and in the Lease.

The Lease Term of said Equipment shall commence on the Commencement Date provided below and continue for 120 months thereafter.

3. RENT.

(a) On and after the Commencement Date the Monthly Rentals for said Equipment during the term of this Lease shall be computed as 1.27565% of the Total Invoice Cost. Rent payments shall be made, in advance, on the Commencement Date and a like payment shall be made on the first day of each month thereafter during the term of this Lease and until 120 such payments have been made.

(b) Commencement Date means April 1, 1982.

4. RECEIPT OF DELIVERY. Lessee confirms and warrants to Lessor that the above Equipment: (a) was duly delivered, accepted and placed into service by Lessee at the Location before December 31, 1982; (b) has been received, inspected and determined to be in compliance with all applicable specifications and is accepted for all purposes of the Lease; and (c) is a part of the "Equipment" referred to in the Lease, (d) is subject to all terms and conditions therein and herein and (e) all of the covenants and warranties contained in the Lease are confirmed and reaffirmed as of the date hereof.

5. ASSET GUIDELINE CLASS. The Asset Guideline Class which would be applicable to the Equipment covered by this Schedule as provided in Section 167(m) of the Code is 33.0.

6. INVESTMENT TAX CREDIT. The Investment Tax credit referred to in Section 19.(b) of the Lease, with respect to the Equipment is ten percent of the Total Invoice Cost.

7. STIPULATED LOSS VALUES AND TERMINATION VALUES. A Schedule of the Stipulated Loss Values and Termination Values is attached as Exhibit 2.

8. EARLY TERMINATION. Lessee may not terminate the lease term of the above Equipment prior to the 12th month thereof.

9. RENEWAL. Lessee may renew the term of the Lease of the above Equipment for 1 renewal term of 2 years pursuant to Section 16 of the Lease.

10. PURCHASE PRICE. The Purchase Price referred to in Section 17 of the Lease for the Equipment on this Schedule shall be 10% of the Total Invoice Cost thereof.

IN WITNESS WHEREOF, Lessee has caused its corporate name to be signed hereto and its corporate seal to be hereunto affixed by its officers thereunto duly authorized as of the date first above written.

(Corporate Seal)

ATLANTIC STEEL COMPANY

ATTEST:

Charles W. Mykard  
Secretary

By Herbert L. Macomber  
via President Finance

Accepted as of the date thereof:

McCULLAGH LEASING, INC., as Trustee  
for Textile Banking Company

By James Christy VP  
(Title)

Exhibit 1 to Schedule 2

Lessee: Atlantic Steel Company

<u>Item</u>	<u>Quantity</u>	<u>Description</u>	<u>Serial No.</u>
Diesel Locomotive Crane	1	American Hoist and Derrick Co. Model 850	L 4288

EXHIBIT 2

Number of Rental  
Payments Received

Stipulated Loss and Termination Values as  
Expressed as a Percentage of Equipment Cost

0	103.750
1	103.500
2	103.375
3	103.250
4	103.125
5	103.000
6	102.750
7	102.675
8	102.500
9	102.250
10	102.125
11	102.000
12	101.750
13	101.500
14	101.250
15	97.125
16	97.000
17	96.750
18	96.500
19	96.250
20	96.000
21	95.750
22	95.500
23	95.250
24	95.000
25	94.750
26	90.750
27	90.250
28	90.000
29	89.750
30	89.500
31	89.250
32	88.721
33	88.400
34	88.074
35	87.741
36	87.402
37	87.058
38	83.003
39	82.646
40	82.283
41	81.913
42	81.537
43	81.155
44	80.766
45	80.371

46	79.969
47	79.561
48	79.146
49	78.724
50	74.592
51	74.156
52	73.714
53	73.264
54	72.808
55	72.345
56	71.874
57	71.396
58	70.911
59	70.419
60	69.919
61	69.412
62	65.194
63	64.671
64	64.141
65	63.604
66	63.058
67	62.505
68	61.944
69	61.375
70	60.798
71	60.212
72	59.619
73	59.017
74	58.407
75	57.789
76	57.162
77	56.527
78	55.883
79	55.230
80	54.568
81	53.898
82	53.219
83	52.531
84	51.834
85	51.127
86	50.412
87	49.687
88	48.952
89	48.209
90	47.456
91	46.693
92	45.920
93	45.138
94	44.346
95	43.544
96	42.732

97	41.909
98	41.077
99	40.234
100	39.381
101	38.518
102	37.644
103	36.759
104	35.863
105	34.957
106	34.040
107	33.112
108	32.172
109	31.222
110	30.260
111	29.287
112	28.302
113	27.306
114	26.298
115	25.278
116	24.246
117	23.203
118	22.147
119	21.276
120	20.000

CERTIFICATE OF NOTARY PUBLIC

State of Maryland  
City of Baltimore

Undersigned, Dorothy J. Giddings, hereby certifies on this 1st day of April, 1982, that she has compared this copy of the Equipment Lease dated March 16, 1982 between McCullagh Leasing, Inc., as Trustee for Textile Banking Company, as Lessor, and Atlantic Steel Company, as Lessee, with the original document and that it is a true and correct copy in all respects.

Dorothy J. Giddings  
Notary Public

My Commission Expires: **MY COMMISSION EXPIRES 7/1/82**