

ITEL

July 8, 1988

IteI Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

RECORDATION NO. 5726

JUL 14 1988-3 30 PM

INTERSTATE COMMERCE COMMISSION

Hon. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Amendment No. 1 dated June 9, 1988, to the Lease Agreement dated July 7, 1983, between IteI Railcar Corporation, as successor in interest to Evans Railcar Leasing Company, and Maryland Midland Railway Company (Lease attached)

Dear Ms. McGee:

On behalf of IteI Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Amendment under a new recordation number.

The parties to the aforementioned instrument are listed below:

IteI Railcar Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

Maryland Midland Railway Company (Lessee)
South Main Street
Railroad Station
Union Bridge, Maryland 21791

This Amendment covers one hundred twenty-five (125) 3,000 cubic foot, 100-ton covered hopper cars bearing reporting marks MMID 3301-3495 (n.s.).

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

patricia schumacker

Patricia Schumacker
Legal Department

PS:
Enclosures

4/27/88

AMENDMENT NO. 1

1 5726
RECORDATION NO. _____ FILED _____

JUL 14 1988-3 30 PM

TO LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT NO. 1 (the "Amendment") to that certain Lease Agreement dated as of July 7, 1983, (the "Lease") between EVANS RAILCAR LEASING COMPANY ("Evans"), and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee") is made as of this 9th day of June, 1988, by and between ITEL RAILCAR CORPORATION ("Lessor"), as successor in interest to Evans, ITEL RAIL CORPORATION, severally, and Lessee.

R E C I T A L S :

- A. Lessor and Lessee are parties to the Lease pursuant to which Lessor leased to Lessee one hundred ninety-five (195) 3,000 cubic foot, 100-ton covered hoppers with gravity gates. (Such covered hoppers as set forth in Schedule 1 dated July 7, 1983; Schedule 2 dated January 6, 1984; and Schedule 3 dated September 19, 1984 to the Lease and in the Schedules attached hereto, are known as the "Cars").
- B. In a letter dated May 30, 1985, to Willard S. Phillips, account manager at Evans, James L. Stookey, Lessee's president, confirmed that six (6) Cars had been remarked to other reporting marks. In another letter dated March 14, 1986 to Alan Tilley, Manager of Lease Fleet Maintenance at Evans, James L. Stookey confirmed the remarking of twenty-seven (27) Cars to other reporting marks and the delivery of twelve (12) other Cars to the Baltimore & Ohio Railroad for remarking by such railroad. On March 24, 1986, Willard S. Phillips, regional sales manager at Evans, advised Lessee that twenty-five (25) Cars were being terminated from the Lease.
- C. Lessor and Lessee desire to amend the Lease to describe the one hundred twenty-five (125) Cars that remain subject to the Lease and reflect that Lessor no longer performs car hire accounting under the Lease.
- D. Lessor and Lessee desire to add fifteen (15) covered hoppers to the Lease.

NOW, THEREFORE, the parties hereto agree to amend the Lease as follows:

- 1. All terms defined in the Lease shall have the meanings defined therein when used in this Amendment.
- 2. Schedule 1, Schedule 2 and Schedule 3 to the Lease shall be deleted and replaced respectively by Schedule 1.A., Schedule 2.A. and Schedule 3.A. attached hereto. All references in the Lease to Schedule 1, Schedule 2 and Schedule 3 shall be deemed to refer respectively to Schedule 1.A., Schedule 2.A. and Schedule 3.A.
- 3. Schedule 4 attached hereto shall be added to and become part of the Lease upon its full execution by the parties.

4. Section 1 of the Lease shall be amended as follows:

- a. The original Section 1 of the Lease shall become Subsection 1.B., and a new Subsection 1.A. shall be added, as follows:

"1.A. Itel Rail Corporation is lessor hereunder only with respect to all Cars listed on the schedules executed by it, and Itel Railcar Corporation is lessor hereunder only with respect to all Cars listed on schedules executed by it. The capitalized term "Lessor" in any context shall refer either to Itel Rail Corporation or to Itel Railcar Corporation or to any subsidiary of either which may execute schedules to this Lease, whichever is the lessor of the Cars referred to or affected by such reference. The liabilities, obligations, benefits and rights of Itel Rail Corporation and Itel Railcar Corporation (and such subsidiary, if any) shall be several, not joint, and shall only apply to each in respect of the Cars for which it is lessor."

- b. A new sentence shall be added to Subsection 1.B. as follows:

"The terms and provisions of each Schedule shall control, as to the Cars listed on such Schedule, over any inconsistent or contrary terms and provisions in the body of this Lease."

- c. A new Subsection 1.C. shall be added, as follows:

"1.C. It is the intent of the parties to this Lease that Lessor shall at all times be and remain the owner and lessor of all Cars and that no joint venture or partnership is being created. Lessee's interest in the Cars shall be that of a lessee only. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and will take such action and execute such documents as may be necessary to accomplish this intent."

5. The second paragraph of Section 2 of the Lease shall be deleted and replaced by the following:

"The calculations required in this Section shall be made within three (3) months after the end of each calendar year ('Final Calculations'). Lessee shall pay to Lessor by the sixtieth (60th) day after the end of each Service Month (as hereinafter defined), all revenues due Lessor for such Service Month. For the purposes hereof, Service Month shall be defined as the calendar month in which revenues were actually earned. At the time such payment is made to Lessor, Lessee shall report to Lessor for the same month, the hours earned, miles traveled and dollar figure for one hundred percent (100%) of the Revenues. Lessor shall within three (3) months after the end of each calendar quarter, calculate on a quarterly year-to-date basis, the approximate amount, if any, due either party pursuant to this Section. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculations, provided, however, that within twenty (20) days following the Final Calculation, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party."

6. The following paragraph shall be added to Section 4 of the Lease:

"With respect to those Cars which are not subject to a fixed rental, Lessee shall, within ten (10) days after the close of each calendar month, supply Lessor with copies of Lessee's interchange records with respect to the Cars interchanged to and from Lessee's railroad line, Unless Lessor subscribes to the Train II (65 and 67) Location Advices, ~~upon Lessor's reasonable request, Lessee shall promptly provide Lessor with records of Lessee's car hire payables. In the event Lessee fails to provide Lessor with records of car hire payables and a user or handling railroad refuses to pay any revenues owed, Lessee shall, within ten (10) days after Lessor's request, pay to Lessor such unpaid revenues.~~"

OPM
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7. Section 6 of the Lease shall be deleted and replaced by the following:

- "6. A. Except as otherwise provided herein, Lessor shall, at its expense, perform or have performed all inspections of, maintenance and repairs to, and servicing of the Cars as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules. However, such repair, maintenance and servicing shall be performed at Lessee's expense in the event it was occasioned (i) by damage or other condition caused by negligence of Lessee or anyone other than Lessor; (ii) by damage or other condition caused by loading, unloading or use other than as permitted under this Agreement; (iii) by the need to repair, replace or maintain interior lading equipment, special interiors and linings and removable parts in good, safe operating condition; (iv) by loss or damage resulting from any commodity or other material loaded in or on any Car. Any transportation costs incurred by reason of movement of the Cars for any maintenance provided for in this paragraph shall be at Lessee's sole expense. Lessee shall, at its expense, inspect all Cars interchanged to Lessee to insure that such Cars are in good working order and condition and Lessee shall be liable to Lessor for any repairs required for damage not noted at the time of interchange. Lessee shall use its best efforts to minimize any damage to the Cars which may be caused by any shipper. Lessee shall not place any Car into a private contract repair facility or have any Car repaired by a private contractor on Lessee's lines unless Lessee has received prior approval from Lessor and all such repairs are performed under the direction and control of Lessor. With respect to the Cars, any repairs performed by Lessee at Lessor's expense shall be at a labor rate not to exceed the prevailing AAR Labor Rate unless a different labor rate is mutually agreed upon in writing by the parties hereto.
- B. Lessor shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules. Lessee may make running repairs to those parts of the Cars specified in the exhibit attached to the applicable Schedule, so as to facilitate continued

immediate use of each Car, but shall not otherwise make any repairs, alterations, improvements, or additions to any Car without Lessor's prior written consent. Lessee shall be liable to Lessor for any revenues lost due to any unauthorized repair, alteration, improvement or addition. Title to any alteration, improvement or addition made, whether or not authorized, shall be and remain with Lessor. Should the AAR Mechanical Department inspect or investigate Lessee's facilities and determine that restitution is due owners of railcars repaired at Lessee's facilities, then Lessor shall be entitled to such restitution pursuant to AAR Rule 120 for all railcars owned or managed by Lessor, including the Cars, that were repaired at Lessee's facilities. Lessor shall have the right to perform certain nonroutine repairs, as hereinafter defined, to the Cars at a location on Lessee's property which is mutually agreeable to Lessor and Lessee. "Nonroutine Repairs shall be defined as repairs of a type that Lessor determines Lessee would not normally perform or of a type that Lessor determines would normally precipitate movement of such Cars to a repair facility. Lessor shall notify Lessee at least twenty-four (24) hours in advance of performing such Nonroutine Repairs.

C. Each month Lessee shall submit to Lessor a report in complete AAR format for all sums due to Lessee from Lessor for such calendar month with respect to the maintenance of the Cars. Such report shall include all repair charges received by Lessee during the previous month. Lessor shall pay to Lessee all sums due pursuant to this Subsection within thirty (30) days after receipt of such monthly maintenance report and bill.

D. Lessee shall notify Lessor as soon as is practicable of any accident connected with the malfunctioning or operation of the Cars, and shall include in such report, where available, the time, place and nature of the accident and the damage."

8. A new sentence shall be added to Section 7 of the Lease, as follows:

"Lessor may, at its option and at its expense, replace any Casualty Car with similar equipment upon prior written notice to Lessee."

9. Subsection 15(d) of the Lease shall be deleted and replaced by the following:

"15(d) Throughout the continuance of this Lease so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from and after delivery of such Car and shall use such Car on its own property or lines or in the usual interchange of traffic; provided, however, that Lessee agrees that the Cars shall at all times be used (i) in conformity with all Association of American Railroads ('AAR') Interchange Rules; (ii) in compliance with the terms and provisions of this Lease; (iii) only within the continental limits of the United States of America or in temporary or

incidental use in Canada; and (iv) in such service as will not constitute a train hauling predominantly a single commodity, such as coal or grain, between the same points on a regular basis, commonly referred to as a 'unit train.' However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement pursuant to which Lessor's obligations thereunder are or become secured by the Cars which are the subject of this Lease. Accordingly, following notice to Lessee from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Lease) and is continuing under such financing agreement, such party may require either or both that rentals and other sums due hereunder shall be paid directly to such party, and that the Cars immediately be returned to such party. Lessee acknowledges that there may be more than one such secured party, and that the Cars on each Schedule are severable and each Schedule constitutes a separate lease interest of separate secured parties. In the event of a default by Lessor under such financing agreement(s), Lessee agrees to take the aforesaid actions as directed by each secured party with respect to the cars subject to such secured party's interest. For the purposes of the exercise by any secured party, of any Lessor's rights or remedies provided hereunder or otherwise arising, Lessee agrees that each secured party can exercise such rights and remedies independently and severally with respect to those Cars subject to such secured party's interest, and such exercise shall not affect or impair the rights and remedies of Lessor or any other secured party, and shall not terminate or otherwise affect the rights, duties or obligations of Lessee, with respect to any other Cars."

10. A new Section 16 shall be added to the Lease, as follows:

"16. Insurance It is understood that this Section 16 applies only to the 15 cars added to the lease by this amendment.

- A. Lessee shall be responsible for the Cars: (i) while in Lessee's possession or control; and (ii) in the same manner and under the same circumstances that Lessee is responsible under the Interchange Rules for similar equipment not owned by Lessee. Lessee shall, at all times while this Agreement is in effect, at its own expense, cause to be carried and maintained: (i) all-risk, physical loss or damage insurance with respect to the cars while on Lessee's tracks or in Lessee's care, custody or control; and (ii) public liability insurance with respect to third party personal injury and property damage, in each case in such amounts and for such risks and with such insurance companies as are satisfactory to the Lessor. All insurance shall be taken out in the name of Lessee and shall name Lessor, any financing party designated by Lessor by written notice to Lessee ('Financing Party') and any assignee of Lessor as additional ~~named~~ insureds and shall also list Lessor, Financing Party and any

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delete
[Handwritten initials]
[Handwritten initials]

assignee of Lessor as loss-payees on the insurance policies. Said policies shall provide that Lessor, Financing Party and any assignee of Lessor shall receive thirty (30) days prior written notice of any material changes in coverage or cancellation thereof. In the event that Lessee fails to place insurance, or that said insurance expires, Lessor has the right to purchase insurance to protect all interested parties and Lessee shall pay the cost thereof. With respect to the additional insureds, Lessee's insurance policies shall be primary to any other valid and available insurance ('Other Insurance') effected by, or for, the additional insureds. Lessee shall require its insurer specifically to waive subrogation, claim and recovery with respect to any Other Insurance. Any and all deductibles in the described policies shall be paid by Lessee.

- B. Each policy obtained by Lessee pursuant to this Section shall be in accordance with the above terms and conditions, and such terms and conditions shall be set forth on the Certificate of Insurance provided to Lessor pursuant to this Subsection. Lessee shall furnish to Lessor concurrently with execution hereof, and within thirty (30) days of receipt of a written request from Lessor, and at intervals of not more than twelve (12) calendar months from execution hereof, Certificates of Insurance evidencing the aforesaid insurance."

incidental use in Canada; and (iv) in such service as will not constitute a train hauling predominantly a single commodity, such as coal or grain, between the same points on a regular basis, commonly referred to as a 'unit train.' However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement pursuant to which Lessor's obligations thereunder are or become secured by the Cars which are the subject of this Lease. Accordingly, following notice to Lessee from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Lease) and is continuing under such financing agreement, such party may require either or both that rentals and other sums due hereunder shall be paid directly to such party, and that the Cars immediately be returned to such party. Lessee acknowledges that there may be more than one such secured party, and that the Cars on each Schedule are severable and each Schedule constitutes a separate lease interest of separate secured parties. In the event of a default by Lessor under such financing agreement(s), Lessee agrees to take the aforesaid actions as directed by each secured party with respect to the cars subject to such secured party's interest. For the purposes of the exercise by any secured party, of any Lessor's rights or remedies provided hereunder or otherwise arising, Lessee agrees that each secured party can exercise such rights and remedies independently and severally with respect to those Cars subject to such secured party's interest, and such exercise shall not affect or impair the rights and remedies of Lessor or any other secured party, and shall not terminate or otherwise affect the rights, duties or obligations of Lessee, with respect to any other Cars."

10. A new Section 16 shall be added to the Lease, as follows:

"16. Insurance

Lessee shall be responsible for the Cars: (i) while in Lessee's possession or control; and (ii) in the same manner and under the same circumstances that Lessee is responsible under the Interchange Rules for similar equipment not owned by Lessee. Lessee carries and maintains insurance coverage which, to the extent set forth in individual policies, has application and provides protection to the cars, to the lease thereof, and to the Lessor, all as provided in the following listed policies"

1. Hartford Accident & Indemnity Co.
No. 30 UEC AM 9982.
2. East River Insurance Co.
No. SLRR 000103

~~Any and all deductibles in the described policies shall be paid by Lessee. Lessee agrees that insurance protection at least the equal of that provided in the above listed policies, will be carried and maintained in force by Lessee at all times during the existence of this lease, and Lessee agrees to furnish Lessor copies of renewal policies as they go into effect. In the event that Lessee fails to place insurance, or that said insurance expires, Lessor has the right to purchase insurance to protect all interested parties, which shall include Lessor, any financing party designated by Lessor by written notice to Lessee (Financing Party), and any assignee of Lessor, and Lessee shall pay the cost thereof. With respect to the additional insureds, Lessee's insurance policies shall be primary to any other valid and available insurance ('Other Insurance') effected by, or for, the additional insureds. Lessee shall require its insurer specifically to waive subrogation, claim and recovery with respect to any Other Insurance.~~

11. Except as expressly modified by this Amendment, all terms and provisions of the Lease shall remain in full force and effect.
12. This Amendment may be executed by the parties hereto in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAILCAR CORPORATION

By: *D. D. Anger*

Title: *President*

Date: *June 9, 1988*

MARYLAND MIDLAND RAILWAY COMPANY

By: *Paul J. Smith*

Title: *PRESIDENT*

Date: *MAY 5, 1988*

ITEL RAIL CORPORATION

By: *D. D. Anger*

Title: *President*

Date: *June 9, 1988*

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 9th day of June, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of ITEL Railcar Corporation, that the foregoing Amendment No. 1 signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Patricia Schumacker
Notary Public



STATE OF MARYLAND)
) ss:
COUNTY OF CARROLL)

On this 5th day of May, 1988, before me personally appeared Paul D. Denton, to me personally known, who being by me duly sworn says that such person is President of Maryland Midland Railway Company, that the foregoing Amendment No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jacob F. Altvater
Notary Public JACOB F. ALTVATER

My Commission Expires July 1, 1990

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 9th day of June, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Patricia Schumacker
Notary Public

SCHEDULE 1.A.

Page 1 of SCHEDULE 1.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 1.A. replaces Schedule 1 dated July 7, 1983 to the Lease.

TYPE AND DESCRIPTION OF CAR:

Used 3000 c.f. 100-ton covered hoppers with gravity gates

NUMBER OF CARS:

94

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Cement

REPORTING MARKS AND NUMBERS:

MMID 3301, 3303-3309, 3311, 3316, 3318, 3319, 3321, 3323, 3325-3329, 3331-3339, 3342, 3343, 3346, 3348-3352, 3355, 3357, 3360, 3361, 3365, 3366, 3370, 3372, 3373, 3375-3377, 3379, 3380, 3383, 3384, 3387, 3389, 3390, 3392-3394, 3397, 3398, 3401, 3403, 3404, 3409-3413, 3416, 3417, 3419, 3422-3430, 3433-3440, 3442-3447

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Nearest connecting point on Lessee's line

LEASE TERM:

180 months

LESSOR'S PERCENTAGE OF CAR HIRE RECEIVED:

Page 2 of SCHEDULE 1.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 1.A. replaces Schedule 1 dated July 7, 1983 to the Lease.

SPECIAL TERMS: None.

ITEL RAILCAR CORPORATION

MARYLAND MIDLAND RAILWAY COMPANY

By: *[Signature]*
Title: President
Date: June 9, 1988

By: *[Signature]*
Title: PRESIDENT
Date: MAY 5, 1988

SCHEDULE 2.A.

Page 1 of SCHEDULE 2.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 2.A. replaces Schedule 2 dated July 7, 1983 to the Lease.

TYPE AND DESCRIPTION OF CAR:

Used 3000 c.f. 100-ton covered hoppers with gravity gates

NUMBER OF CARS:

16

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Cement

REPORTING MARKS AND NUMBERS:

MMID 3453, 3454, 3457, 3460, 3461, 3463-3467, 3469-3473, 3475

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Nearest connecting point on Lessee's line

LEASE TERM:

180 months

LESSOR'S PERCENTAGE OF CAR HIRE RECEIVED:

MINIMUM AVERAGE DAILY RENTAL PER CAR:

Page 2 of SCHEDULE 1.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 1.A. replaces Schedule 1 dated July 7, 1983 to the Lease.

SPECIAL TERMS: None.

ITEL RAILCAR CORPORATION

MARYLAND MIDLAND RAILWAY COMPANY

By: *[Signature]*

By: *Paul D. Smith*

Title: *President*

Title: *PRESIDENT*

Date: *June 9, 1988*

Date: *MAY 5, 1988*

SCHEDULE 2.A.

Page 1 of SCHEDULE 2.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 2.A. replaces Schedule 2 dated July 7, 1983 to the Lease.

TYPE AND DESCRIPTION OF CAR:

Used 3000 c.f. 100-ton covered hoppers with gravity gates

NUMBER OF CARS:

16

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Cement

REPORTING MARKS AND NUMBERS:

MMID 3453, 3454, 3457, 3460, 3461, 3463-3467, 3469-3473, 3475

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Nearest connecting point on Lessee's line

LEASE TERM:

180 months

LESSOR'S PERCENTAGE OF CAR HIRE RECEIVED:

MINIMUM AVERAGE DAILY RENTAL PER CAR:

Page 2 of SCHEDULE 2.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 1.A. replaces Schedule 1 dated July 7, 1983 to the Lease.

SPECIAL TERMS: None.

ITEL RAILCAR CORPORATION

MARYLAND MIDLAND RAILWAY COMPANY

By: *DD Hayes*
Title: *President*
Date: *June 9, 1988*

By: *Paul J. Smith*
Title: *PRESIDENT*
Date: *MAY 5, 1988*

SCHEDULE 3.A.

Page 1 of SCHEDULE 3.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 3.A. replaces Schedule 3 dated July 7, 1983 to the Lease.

TYPE AND DESCRIPTION OF CAR:

Used 3000 c.f. 100-ton covered hoppers with gravity gates

NUMBER OF CARS:

15

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Cement

REPORTING MARKS AND NUMBERS:

MMID 3476-3478, 3480, 3483-3487, 3489-3493, 3495

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Nearest connecting point on Lessee's line

LEASE TERM:

180 months

EVANS' PERCENTAGE OF CAR HIRE RECEIVED:

MINIMUM AVERAGE DAILY RENTAL PER CAR:

Page 2 of SCHEDULE 3.A. to Lease dated July 7, 1983 by and between ITEL RAILCAR CORPORATION ("Lessor"), successor in interest to Evans Railcar Leasing Company, and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee"). This Schedule 3.A. replaces Schedule 3 dated July 7, 1983 to the Lease.

SPECIAL TERMS: None.

ITEL RAILCAR CORPORATION

MARYLAND MIDLAND RAILWAY COMPANY

By: *[Signature]*
Title: *President*
Date: *June 9, 1988*

By: *[Signature]*
Title: *PRESIDENT*
Date: *MAY 5, 1988*

SCHEDULE 4

THIS SCHEDULE 4 ("Schedule") to that certain Lease Agreement (the "Lease") made as of June 9, 1988 between ITEL RAIL CORPORATION and ITEL RAILCAR CORPORATION, severally, as lessors, and MARYLAND MIDLAND RAILWAY COMPANY, as lessee ("Lessee") is made this 9th day of June, 1988, between ITEL RAILCAR CORPORATION ("Lessor") and Lessee.

Lessor and Lessee agree as follows:

1. All terms defined in the Lease shall have the meanings defined therein when used in Schedule 4.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Lease and this Schedule:

AAR Mech. Design.	Description	Reporting Marks and Numbers	Length	Dimensions Inside Width	Height	Door Width	Number of Cars
LO	3,000 cubic ft 100 ton covered hoppers	MMID 3501- 3515	36'8"	10'	--	--	15

*3500
PW*

Lessee shall provide the above reporting marks and numbers as it executes this Schedule.

3. The term of the Lease with respect to each Car described in this Schedule shall commence at 12 noon on the date and at the location such Car is remarked to bear Lessee's reporting marks ("Delivery") and shall continue as to all of the Cars described in this Schedule for five (5) years after the earlier of (i) the date on which the last Car described in this Schedule was remarked or (ii) sixty (60) days after the first Car described in this Schedule was remarked (the "Term"). Upon delivery of the last Car, Lessor shall notify Lessee in writing of the expiration date of the Term. Unless, within fifteen (15) days of the date of such notice, Lessee demonstrates to the satisfaction of Lessor that such expiration date is wrong, Lessee shall be deemed to have concurred to such expiration date.
4. After each Car has been remarked, such Car shall be moved to Lessee's railroad line at no initial cost to Lessee as soon as is consistent with mutual convenience and economy. Notwithstanding that Lessee may not have immediate physical possession of the Cars leased hereunder, Lessee agrees to pay the rent set forth in this Schedule. In order to move the Cars to Lessee's railroad line and to ensure optimal use of the Cars, Lessor agrees to assist Lessee in monitoring Car movements and, when deemed necessary by Lessee and Lessor, to assist in the issuance of movement orders with respect to such Cars to other railroad lines in accordance

with the Interstate Commerce Commission ("ICC") and the Interchange Rules.

5. Lessee shall register each Car in UMLER showing "USLX" in the owner's field and in such a manner that Lessor, or its agent, is allowed access to any required information including but not limited to Train 62 Junction Advices and the Train II (65, 67, 71 and 80) Location Advices with respect to each Car.
6. Lessor shall perform or cause to be performed and pay for all costs and expenses associated with the maintenance of the Cars described in this Schedule except as set forth in Section 6 of the Lease as amended. Lessee may make running repairs to those parts of the Cars specified in Exhibit A attached to this Schedule.
7. Lessor agrees to reimburse Lessee, within thirty (30) days from Lessor's receipt of the receipted copy of the paid tax bill, for all taxes actually paid in cash by the Lessee resulting from: 1) ad valorem tax assessments on the Cars; and 2) any assessment, levy or impost relating to any Car, the Lease, or the delivery of the Cars, which remained unpaid as of the date of the delivery of the Cars to Lessee or which is assessed, levied or imposed during the term of this Lease except taxes on income or gross receipts imposed on Lessee, or sales or use tax imposed on the mileage charges, car hire revenue, or the proceeds of the sale or lease of the Cars. Lessor and Lessee will comply with all state and local laws requiring filing of ad valorem returns associated with the Cars. Notwithstanding any portion of this Section, Lessor shall not be responsible for penalty or interest assessments resulting from Lessee's failure to comply with any regulation or statute of any taxing or assessing authority. Lessee shall forward to Lessor upon receipt all correspondence, notifications of proposed tax assessments and tax bills associated with any tax reimbursable to Lessor. Lessor may, in good faith and by appropriate proceedings, contest any assessment, notification of assessment or tax bill. Lessor shall assume full responsibility for all expenses, including legal fees, resulting from such contest.

8. Rent

A. Definitions

- (i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the date of this Schedule. Unless otherwise provided for or agreed upon by Lessor and Lessee, any lines purchased by Lessee or added to the Eligible Lines during the Term are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined in Subsection 8.A.(ii) hereinbelow).
- (ii) "Revenues" is defined as the total revenues that are earned or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not

limited to per diem and mileage, whether or not collected and received by Lessor and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.

(iii) The "Base Rent" is defined as one thousand

calendar quarter.

(iv) "Initial Loading" as to each Car, shall be the earlier to occur of either: 1) the date such Car shall have been loaded off Lessee's railroad line with the first load of freight; or 2) the thirty-first (31st) day after such Car is received on Lessee's lines pursuant to this Section.

B. Lessor shall receive all Revenues earned by each Car prior to its Initial Loading. Each Car delivered pursuant to Section 3. shall become subject to the rental calculation under Subsection 8.C. upon the Initial Loading of said Car, provided, however, that Lessor shall receive and be entitled to all Revenues earned by said Car after said Initial Loading, including any Revenues due Lessee pursuant to Subsection 8.C. (ii) ("Lessee's Revenue Share"), until such Revenues equal the total amount of Lessor's expenses for remarking and delivering such Car to Lessee ("Delivery Expense").

C. Lessee agrees to pay the following rent to Lessor for the use of the Cars commencing at such time that Lessor has recovered its Delivery Expenses and subject to Subsection 8.E. hereinbelow:

(i) In the event Revenues earned in any calendar quarter or applicable portion thereof ("Quarter") are equal to or less than the Base Rent, Lessor shall receive a sum equal to one hundred percent (100%) of the total Revenues.

(ii) In the event Revenues earned in any Quarter exceed the Base Rent, Lessor shall receive an amount equal to the Base Rent

Revenues received in excess of the Base Rent.

D. (i) Upon any abatement, reduction or offset as described in Subsection 8.A. (ii), Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor for such amounts.

(ii) If, at any time during the Lease Lessee operates lines other than the Eligible Lines, then Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of said Car on any other lines operated by Lessee.

E. If, with respect to any Quarter, Revenues received by Lessor for the Cars in the aggregate while they were on railroad lines other than the Eligible Lines are less than the total Base Revenues for the Cars described in this Schedule, then Lessor shall so notify Lessee. Within ten (10) days of receipt of such notice from Lessor, Lessee shall exercise its option to:

(i) Pay Lessor the difference ("Difference") between the Base Revenues and the actual Revenues for such Quarter and for any subsequent Quarter for the duration of the Term of the Lease with respect to the Cars in this Schedule in which such Difference occurs. For any Quarter thereafter in which no Difference occurs, the rental shall be adjusted so that

in excess of the Base Revenues.

(ii) Elect not to pay Lessor such Difference for such Quarter and any subsequent Quarter in which a Difference occurs. In such event, Lessor may terminate all or a portion of the Cars described in this Schedule from the Lease upon not less than thirty (30) days' written notice to Lessee at any time during the duration of the Lease.

F. If any Car has remained on Lessee's property because Lessee has not given preference to the Cars as specified in Section 5 of the Lease, Lessee shall be liable for and remit to Lessor an amount equal to the revenues which would have been generated if such Car had been in the physical possession and use of another railroad for the entire period during which such Car is on Lessee's property and had travelled twenty-five miles per day (25 mpd).

9. Except as expressly modified by this Schedule 4, all terms and provisions of the Lease shall remain in full force and effect.

10. This Schedule 4 may be executed by the parties hereto in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAILCAR CORPORATION

MARYLAND MIDLAND RAILWAY COMPANY

BY: *D. W. Meyer*
TITLE: *President*
DATE: *June 9, 1988*

BY: *Paul J. Jenk*
TITLE: *PRESIDENT*
DATE: *MAY 5, 1988*

EXHIBIT A
Covered Hoppers

Running Repairs

Angle Cocks

Air Hose

Train Line

Operating Levers and Brackets

Sill Steps

Grab Irons

Brake Shoes

Brake Shoe Keys

Brake Connecting Pin

Brake Head Wear Plates

Air Brakes

Hand Brakes

Brake Beams

Truck Springs

Running Repairs Continued

Wheels

Yokes

Knuckles/Pins

Slack Adjuster

Couplers

Draft Gears

Coupler Carriers

Center Plates
(Not Replacement)

Cotter Keys

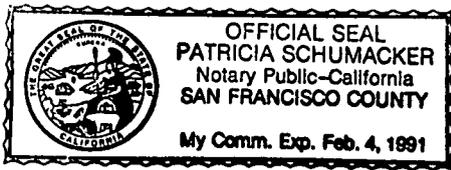
Roller Bearing Adapters

Outlet Gate Repair
(Not Replacement)

Hatch Cover Repair
(Not Replacement)

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 9th day of June, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of ITEL Railcar Corporation, that the foregoing Schedules 1.A., 2.A., 3.A. and 4 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Patricia Schumacker
Notary Public

STATE OF Maryland)
) ss:
COUNTY OF Carroll)

On this 5th day of May, 1988, before me personally appeared Paul D. Danton, to me personally known, who is President of Maryland Midland Railway Company, that the foregoing Schedules 1.A., 2.A., 3.A. and 4 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jacob F. Altvater
Notary Public JACOB F. ALTVATER

~~My~~ Commission Expires July 1, 1990

Let 2032.02

L E A S E

AGREEMENT made and entered into this 7th day of July, 1983 between

EVANS RAILCAR LEASING COMPANY
an Illinois corporation (hereinafter called "Evans")

and

MARYLAND MIDLAND RAILWAY COMPANY
(hereinafter called "Lessee")

RECITALS

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

AGREEMENT

It is agreed:

1. Lease of Cars. Evans agrees to lease to Lessee and Lessee agrees to and hereby lease from Evans that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Schedule 1 of this Lease and as is set forth in Schedules which may from time to time be added to this Lease. The Cars covered by this Lease are those which shall be delivered to and accepted by or on behalf of Lessee pursuant to the terms hereof. This Lease shall become effective with respect to any Car as of the date of its delivery and acceptance hereunder and shall continue with respect to such Car for the term provided in the Schedule covering such Car unless sooner terminated as hereinafter provided. Evans shall deliver Cars f.o.t., at the delivery point specified in the Schedule covering such Cars and from and after such delivery, if any action by Lessee either oral or written cause cars to be routed in such a manner as to incur transportation cost; Lessee shall pay all costs and expenses on account of transportation or movement of the Cars to and from any place and for any reason whatsoever.

2. Rental. The rental per Car per day shall be all payments including but not limited to mileage charges, straight car hire and incentive car hire (if any) payable to Lessee on account of such Car. Evans shall receive as rental an amount equal to the total of the payments described in the previous sentence for Car Usage up to and Lessee shall be entitled to any excess payments. The foregoing to the contrary notwithstanding, the first shall be to the account of the Lessee.

Lessee will not be required to make car hire payments while the cars are on the Lessee's railroad.

Although rental is based on a calendar year, Evans shall perform the foregoing calculations for each individual month during the Lease Term and shall remit Lessee's share of car hire receipts based on such calculations. It is understood, however, that the information which is necessary to perform such calculations is customarily unavailable for use until approximately 90 days following the end of the month in question; therefore, it is agreed that the calculation for each month shall be performed within the 90 day period following the close of each month and payment shall be made to Lessee within 30 days thereafter. In addition to the monthly calculation, rental shall be reconciled quarterly and annually. If such reconciliations indicate that an adjustment is necessary to conform rental payments to the calendar year rental basis, then the Lessee or Evans, as the case may be, shall pay the other the adjustment amount within 30 days after such amount is determined. As with the monthly calculation, it is understood that the information necessary to perform the quarterly and annual reconciliations will be available approximately 90 days after the close of the applicable quarter or month.

3. Acceptance of Cars. Within three (3) days after Evans shall give Lessee notice that some or all Cars covered by a Schedule are ready for delivery, Lessee may have its authorized representative inspect such Cars at the point of delivery and accept or reject them as being or failing to be in compliance with the terms hereof. Cars so inspected and accepted and any Cars which Lessee does not elect to inspect shall be conclusively deemed to meet all requirements of this Lease and shall be conclusively deemed delivered to and accepted by Lessee.

4. Records. Lessee shall keep records of and monitor the use and movements of all Cars and shall provide to Evans all information and copies of all records and reports, pertaining to the Cars received by Lessee or available to it. Evans shall have the right at any time and from time to time to audit and verify any such information, records and reports and other data pertinent hereto and Lessee shall cooperate with and assist Evans in any such audit or verification. Lessee will at Evans' expense take all appropriate action to record and register the Cars as Evans may request. In addition, if Lessee knows of the initial loading of any of the Cars, Lessee shall promptly thereafter notify Evans of the date, handling railroad and destination of such initial loading.

5. Use - Lettering. Lessee shall use the Cars in a careful and prudent manner in compliance with all Interchange Rules and solely for the uses for which they were designed. From and after the delivery of a Car to Lessee, so long as Lessee shall not be in default hereunder, Lessee shall be entitled to the use of the Car for the full term of this Lease, but solely within the continental limits of the United States of America. Except for the lettering to be placed on the Cars by Evans prior to delivery indicating the interest of Lessee, Evans and any

assignee or mortgagee of Evans as permitted in Paragraph 11 hereof, no lettering or marking shall be placed upon any of the Cars by Lessee except upon the written direction or consent of Evans. Lessee shall give preference and shall load the Cars prior to loading similar railroad cars leased from other parties or purchased by Lessee subsequent to the date of this Lease or interchanged with the other railroads and Lessee agrees to use its best efforts to use the Cars efficiently so as to maximize earnings, provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request to shippers on its railroad tracks, and provided further, Lessee shall not have to give priority to the loading of the Cars at the expense of unreasonably disrupting Lessee's normal operations.

6. Repair Work. Except as otherwise provided herein, Evans shall at its sole cost and expense perform all Repair Work or authorize or cause same to be done. Lessee shall at its sole cost and expense perform or cause to be performed all Repair Work required by reason of the negligence of Lessee or an affiliate of Lessee. Evans shall have a duty to promptly perform Repair Work for which it is responsible, but such obligation shall not commence until Evans is informed of the need for such Repair Work. Evans may require Lessee to return Cars for preventive maintenance or Repair Work and may withdraw from this Lease any Cars which it in its sole discretion deems uneconomical for Repair Work of any kind.

7. Casualty Cars. Evans shall bear the risk of any Car which is lost, stolen, destroyed or damaged beyond economical repair ("Casualty Car") other than on Lessee's lines. Lessee shall bear the risk of and be responsible for any Car which is lost, stolen, destroyed or damaged beyond economical repair on its lines and shall within thirty (30) days after the occurrence of any such event, pay to Evans the amount provided in the Interchange Rules to be paid for such Casualty Car. This Lease shall terminate as to any Casualty Car on the date on which the casualty occurred. All payments for Repair Work or in connection with the loss of any Casualty Car due from third parties shall be assigned to and belong to Evans and Lessee shall cooperate with Evans in the prosecution and collection of all claims therefor.

8. Indemnities. Evans agrees to indemnify Lessee and hold it harmless from any loss, expense or liability which Lessee may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession, or operation of the Cars while subject to this Lease, excepting only any such loss, expense or liability which arises from Lessee's negligence or which arise as a result of the operation of the Cars on Lessee's lines and Lessee shall indemnify Evans for such loss, expense or liability. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

9. Taxes. Evans shall be liable for and pay all Federal, State or other governmental property taxes assessed or levied against the Cars except that Lessee shall be liable for and pay such taxes when the Cars bear reporting marks other than Evans'. Lessee shall be liable at all times for and shall pay or reimburse Evans for payment of (i) all Federal, State or Local sales or use taxes imposed upon or in connection with the Cars, this Lease, or the manufacture, acquisition, or use of the Cars for or under this Lease, (ii) all taxes, duties or imposts assessed or levied on the Cars or this Lease by a foreign country and/or any governmental subdivision thereof and (iii) all taxes or governmental charges assessed or levied upon its interest as Lessee of Cars.

10. Termination. This Lease shall terminate upon expiration of its term, at election of either party hereto by reason of the default or breach of the other party in the terms hereof, or upon the election of Evans as hereinafter provided. In the event of a default or breach by either party, the other party may elect to terminate this Lease with respect to less than all of the cars. In the event (i) that Actual Car Hire for all Cars or any group of Car in any calendar quarter is less than sixty percent (60%) of MPCH or (ii) the rental payable to Evans during such quarter net of taxes as defined in Paragraph 9 averages less than \$15.00 per car per day, then Evans may at its option upon thirty (30) days notice to Lessee terminate this Lease in its entirety, or terminate the Lease as to any or all of the Cars subject to this Lease or any Schedule hereto. Lessee shall at the termination of the Lease with respect to any Cars return such Cars to Evans in the same condition (except to Casualty Cars) in which the Cars were furnished and maintained by Evans during the term hereof, ordinary wear and tear excepted. Upon the termination of this Lease with respect to any or all Cars, Lessee shall at its sole cost and expense forthwith surrender possession of such Cars to Evans at any point on the Lessee's railroad and further agrees on a best efforts basis to assist Evans in obtaining final loads for the Car toward any other delivery point Evans so designates. Lessee shall provide free storage for a period of up to 90 days for Cars as to which the Lease is terminated. Lessee shall be responsible for all restencilling costs. This Lease may be terminated as to all Cars or as to any group of Cars covered by a Schedule without termination of the Lease as to Cars covered by any other Schedule. From and after termination of this Lease with respect to any Car and until its return to Evans all amounts earned by such Car shall be paid to Evans as defined in Paragraph 2, "Rental".

11. Sublease and Assignment. The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

(a) Lessee shall have no right to assign or sublease or loan the Cars without the prior written consent of Evans.

(b) all rights of Evans under this Lease may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part and Evans agrees to give notice to Lessee within 30 days of such assignment, pledge, mortgage, transfer or other such disposition.

This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust covering the cars heretofore or hereafter created by Evans.

If Evans shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee.

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

12. Default. If Lessee or Evans shall fail to make any payment required hereunder within five (5) days after same shall have become due or shall breach any representation or warranty contained herein or shall default or fail for a period of ten (10) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or a proceeding shall have been commenced by or against Lessee or Evans under any bankruptcy laws, Federal or State, or other laws for the appointment of a receiver, assignee or trustee of Lessee or Evans or their property, or Lessee or Evans shall make a general assignment for the benefit of creditors, then and in any of said events Evans or Lessee, as the case may be, may in addition to all other rights and remedies provided in law of equity, upon written notice to such effect, terminate this Lease in its entirety or with respect to any group of Cars with respect to which said default has occurred and thereafter recover any and all damages sustained by reason of Lessee's or Evans' default. The obligation to pay rental then or thereafter due or any other sum or sums due and unpaid or any damages suffered by reason of Lessee's or Evans' default hereunder shall survive the termination of the Lease and the retaking of the Cars.

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

"Repair Work" - all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good working order and repair in accordance with and on the effective date of the requirements of all Interchange Rules and preventive maintenance as determined by Evans to keep and maintain the Cars in good working order and repair.

"Interchange Rules" - all codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency, or governmental authority, including

the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

"Maximum Potential Car Hire" as used herein shall mean, for a given period, the number of hours in such period multiplied by the applicable car hire rate for the Cars, plus the actual mileage for the Cars during such period multiplied by the applicable mileage rate, plus any incentive per diem payable with respect to the use of the Cars during such period.

14. Representations. Lessee and Evans respectively covenant, warrant and represent that all of the following matters shall be true and correct at all times that any Car is subject to this Lease:

- (a) Each party is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation and has the corporate power, authority and is duly authorized and qualified to do business wherever it transacts business and such qualification is required, and has corporate power to and has taken all corporate action necessary to enter into this Lease and carry out its obligations hereunder.
- (b) This Lease has been duly executed on behalf of each party and constitutes the legal, valid and binding obligation of the respective parties enforceable in accordance with its term.
- (c) No governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part of either party in connection with this Lease or any action contemplated on its part hereunder, nor will the execution or performance of this Lease violate any law, judgement order or regulation, or any indenture or agreement binding upon either party; and
- (d) Neither party nor their respective counsel know of any requirements for recording, filing or depositing this Lease other than pursuant to Section 20c of the Interstate Commerce Act, which is necessary to preserve or protect the title of Evans or its assignee or mortgagee in the United States of America.

Upon request of Evans or its assignee or mortgagee at any time or times, Lessee shall deliver to Evans an opinion of its counsel addressed to Evans or its assignee or mortgagee, in form and substance satisfactory to Evans or its assignee or mortgagee, which opinion shall confirm the matters set forth in this Paragraph 14 (a) through (d).

15. Miscellaneous.

- (a) This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns to the extent permitted herein.
- (b) Any notice required or permitted to be given by one party to another hereunder shall be properly given when made in writing, deposited in the United States Mail, registered or certified, postage prepaid addressed to:

Evans at: East Tower
2550 Golf Road
Rolling Meadows, Illinois 60008

Lessee at:

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

- (c) Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect Evans' title, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease and shall promptly discharge any such lien, encumbrance or legal process. Lessee shall take all action requested by Evans to confirm Evans' interest in the Cars as Lessor and that Lessee has no interest in the Cars other than as Lessee hereunder.
- (d) So long as Lessee is not in default under this Lease, Lessee shall be entitled to the peaceful and quiet possession of the Cars.
- (e) During the continuance of this Lease, Evans shall have the right, at its own cost and expense, to inspect the Cars at any reasonable time or time wherever the Cars may be. Lessee shall, upon request of Evans, but no more than once every year, furnish to Evans two (2) copies of an accurate inventory of all Cars in service.

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

(CORPORATE SEAL)

ATTEST:

By:

Robert M. Keil
Secretary

MARYLAND MIDLAND RAILWAY COMPANY

By:

James H. Stahly
President

(CORPORATE SEAL)

ATTEST:

By:

James H. Stahly
ASST. Secretary

EVANS RAILCAR LEASING COMPANY

By:

Curtis C. Tatham
Curtis C. Tatham
Senior Vice President Marketing

STATE OF ILLINOIS
COUNTY OF COOK

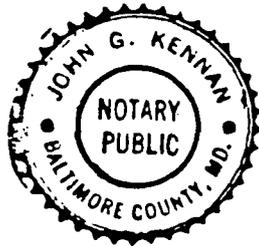
On this 24th day of October, 1983, before me personally appeared Curtis C. Latham, to me personally known, who being by me duly sworn, says that he is Acting President of EVANS RAILCAR LEASING COMPANY, and Laurence P. Morgan personally known to me to be the Asst Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jeanette C. Benedetti
Notary Public

~~My Commission Expires~~ July 25, 1987

STATE OF Maryland
COUNTY OF Carroll

On this 10 day of October, 1984, before me personally appeared James L. Stoker, to me personally known, who being by me duly sworn, says that he is _____ President of Maryland Midland Railway Inc, and Robert W. Keil personally known to me to be the _____ Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



John G. Kennan
Notary Public
my commission expires 7/1/85

EXHIBIT A

Exhibit A to Schedule 1 dated July 7, 1983 to Lease dated July 7, 1983, by and between EVANS RAILCAR LEASING COMPANY ("Evans") and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee").

CERTIFICATE OF ACCEPTANCE

Evans Railcar Leasing Company
2550 Golf Road
Rolling Meadows, IL 60008

Gentlemen:

The undersigned, being a duly authorized representative of Lessee, hereby accepts _____ (____) Cars bearing numbers as follows:

for the Lessee pursuant to the Lease and certifies that each of said Cars is plainly marked in stencil on both sides of each Car with the words

EVANS RAILCAR LEASING COMPANY
OWNER AND LESSOR

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

in readily visible letters not less than one inch (1") in height; and that each of said Cars conforms to, and fully complies with the terms of said Lease and is in condition satisfactory to the Lessee. If the Lessee is a railroad, Lessee hereby certifies that it is an interstate carrier by rail and that the Cars are intended for actual use and movement in interstate commerce.

Lessee

SCHEDULE 1

Page 1 of Schedule 1 dated July 7, 1983 to Lease dated July 7, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee").

TYPE AND DESCRIPTION OF CAR:

3000 c.f. 100-ton covered hoppers with gravity gates

NUMBER OF CARS:

150

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Cement

REPORTING MARKS AND NUMBERS:

Railroad marks and numbers to be advised

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Nearest connecting point on Lessee's railroad

Page 2 of Schedule 1 dated July 7, 1983 to Lease dated July 7, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee").

LEASE TERM: 180 months

PER DIEM SHARE:

SPECIAL TERMS: This Agreement is conditional upon and shall not take effect until Maryland Midland shall have obtained final authorization from the Interstate Commerce Commission to either own and/or lease and operate the thirty-six (36) miles of the Western Maryland Railway between Highfield, Maryland and Westminster, Maryland including existing trackage, associated real estate and improvements currently in operation as part of the Chessie System until October 1, 1983. At that time, Evans will supply equipment based on availability.

(CORPORATE SEAL)

ATTEST:

By:

Robert McNeil
Secretary

MARYLAND MIDLAND RAILWAY COMPANY

By:

James H. [Signature]
President

(CORPORATE SEAL)

ATTEST:

By:

Barbara [Signature]
ASST. Secretary

EVANS RAILCAR LEASING COMPANY

By:

Curtis C. Tatham
Curtis C. Tatham
Senior Vice President Marketing

EVANS' LOT NO. 2032-02

SCHEDULE 2

Page 1 of Schedule 2 dated January 6, 1984 to Lease dated July 7, 1983
by and between EVANS RAILCAR LEASING COMPANY ("Evans") and MARYLAND
MIDLAND RAILWAY COMPANY ("Lessee").

TYPE AND DESCRIPTION OF CAR:

Used 3000 c.f. 100-ton covered hoppers with gravity gates

NUMBER OF CARS:

25

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Cement

REPORTING MARKS AND NUMBERS:

MMID 3451-3475

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Nearest connecting point on Lessee's line

Page 2 of Schedule 2 dated January 6, 1984 to Lease dated July 7, 1983
by and between EVANS RAILCAR LEASING COMPANY ("Evans") and MARYLAND
MIDLAND RAILWAY COMPANY ("Lessee").

LEASE TERM: 180 months

EVANS' PERCENTAGE OF
CAR HIRE RECEIVED:

MINIMUM AVERAGE DAILY
RENTAL PER CAR:

SPECIAL TERMS: See attached Addendum 1 to Lease

(CORPORATE SEAL)

ATTEST:

By:

[Signature]
Secretary

MARYLAND MIDLAND RAILWAY COMPANY

By:

[Signature]
President

(CORPORATE SEAL)

ATTEST:

By:

[Signature]
ASST. Secretary

EVANS RAILCAR LEASING COMPANY

By:

[Signature]
Curtis C. Tatham, Senior
Vice President Marketing

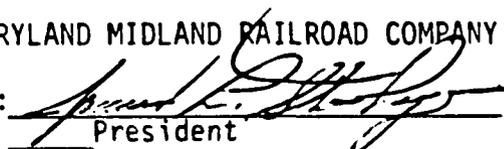
JPA 1/13/84
Reviewed by Legal

ADDENDUM 1

Addendum 1 to that certain Lease dated July 7, 1983, between EVANS RAILCAR LEASING COMPANY ("Evans"), as Lessor and MARYLAND MIDLAND RAILWAY COMPANY ("MMID"), as Lessee.

1. Paragraph 2 to the Lease to the contrary notwithstanding, the first of car hire earned with respect to railcars covered by both Schedules 1 and 2 to the Lease, dated July 1, 1983 and January 6, 1984, respectively, shall be the sole property of Lessee.
2. All freight charges incurred in shipping Cars covered under Schedule 2 to the initial F.O.T. point, all restencilling costs incurred and any expenses incurred to modify the gates shall be paid out of car hire earnings (Schedule 2) a has been paid to Lessee pursuant to paragraph 1 above. amount shall be paid from Evans' share of such car hire earnings and Lessee shall of such amount from Lessee's share of such car hire earnings.
3. After payment is made pursuant to paragraphs 1 and 2 above, all further car hire earnings shall be divided between Evans and Lessee in accordance with paragraph 2 to the Lease.

MARYLAND MIDLAND RAILROAD COMPANY

By: 

President

EVANS RAILCAR LEASING COMPANY

By: 

Curtis C. Tatham

Senior Vice President Marketing

 1/13/84
Reviewed by Legal

EVANS' LOT NO. 2032-03

SCHEDULE 3

Page 1 of Schedule 3 dated September 19, 1984 to Lease dated July 7, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee").

TYPE AND DESCRIPTION OF CAR:

Used 3000 c.f. 100-ton covered hoppers with gravity gates

NUMBER OF CARS:

20

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Cement

REPORTING MARKS AND NUMBERS:

MMID 3476-3495

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Nearest connecting point on Lessee's line

Page 2 of Schedule 3 dated September 19, 1984 to Lease dated July 7, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and MARYLAND MIDLAND RAILWAY COMPANY ("Lessee").

LEASE TERM: 180 months

EVANS' PERCENTAGE OF
CAR HIRE RECEIVED:

MINIMUM AVERAGE DAILY
RENTAL PER CAR:

SPECIAL TERMS: See attached Addendum 1 to Lease

(CORPORATE SEAL)

ATTEST:

By: Robin L. Lawson
Asst. Secretary

MARYLAND MIDLAND RAILWAY COMPANY

By: [Signature]
President

(CORPORATE SEAL)

ATTEST:

By: Laurence P. Prange
Assistant Secretary

EVANS RAILCAR LEASING COMPANY

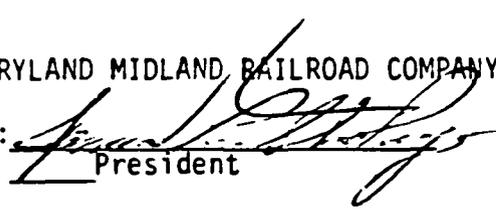
By: Curtis C. Tatham
Senior Vice President Marketing

ADDENDUM 1

Addendum 1 to that certain Lease dated July 7, 1983, between EVANS RAILCAR LEASING COMPANY ("Evans"), as Lessor and MARYLAND MIDLAND RAILWAY COMPANY ("MMID"), as Lessee.

1. Paragraph 2 to the Lease to the contrary notwithstanding, the car hire earned with respect to railcars covered by both Schedules 1, 2 and 3 to the Lease, dated July 1, 1983, January 6, 1984 and September 19, 1984, respectively, shall be the sole property of Lessee.
2. All freight charges incurred in shipping Cars covered under Schedule 3 to the initial F.O.T. point, all restencilling costs incurred and any expenses incurred to modify the gates shall be paid out of car hire earnings (Schedule 3) after has been paid to Lessee pursuant to paragraph 1 above. amount shall be paid from Evans' share of such car hire earnings and Lessee shall reimt) of such amount from Lessee's share of such car hire earnings.
3. After payment is made pursuant to paragraphs 1 and 2 above, all further car hire earnings shall be divided between Evans and Lessee in accordance with paragraph 2 to the Lease.

MARYLAND MIDLAND RAILROAD COMPANY

By: 

President

EVANS RAILCAR LEASING COMPANY

By: 

Curtis C. Tatham

Senior Vice President Marketing