19404 A

RAILROAD CAR LEASE AGREEMENT

THIS RAILROAD CAR LEASE AGREEMENT is made as of the 1st day of APRIL, 1995, by and between GEORGIA INDUSTRIAL LEASING, INC., a Georgia corporation (hereinafter, sometimes referred to as "Lessor") and NEWELL RECYCLING CO., INC., a Texas corporation (hereinafter, sometimes referred to as "Lessee").

W I T N E S S E T H:

WHEREAS, Lessee desires to lease from Lessor ten (23) railroad cars as more particularly described on Schedule A attached hereto and made a part hereof (hereinafter, sometimes referred to as the "Equipment") and Lessor is willing to lease the Equipment to Lessee upon the terms and conditions herein set forth,

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

1. LEASE OF EQUIPMENT. Lessor hereby agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Equipment upon the terms and conditions herein set forth. Lessor shall deliver the Equipment to the location or locations specified on Schedule B attached hereto and made a part hereof (the "Delivery Sites"). Lessee (or its employee or agent) shall also execute a delivery receipt upon delivery of the Equipment to such location or locations (the "Delivery Receipt"). The Delivery Receipt shall be in the form of Schedule C attached hereto and made a part hereof.

2. RENTALS. Lessee shall pay Lessor the sum of EIGHTEEN THOUSAND TWO HUNDRED EIGHTY FIVE AND no/100's Dollars ($ 18,285.00) per month for the use of the Equipment (the "Monthly Rent"), in advance, on the first day of each month. The Monthly Rent for the

first and last month of the Lease term, if less than a full month, shall be prorated. The Monthly Rent shall be paid by Lessee to Lessor at 3212 East Wood Valley Road, Atlanta, Georgia 30327 or to such other address as Lessor may specify by notice to Lessee. If the Monthly Rent is not paid when due, Lessee shall pay interest thereon at eighteen percent (18%) per annum until paid. Lessee shall pay the sum of $ 1,828.00 for any check of Lessee that is returned for insufficient funds.

Lessee's obligation to pay all rentals hereunder shall be a separate and independent covenant, absolute and unconditional, and shall not be affected by any circumstances of any character including, without limitation, (i) any set-off, counterclaim, or other right which Lessee may have against Lessor, or (ii) any defect in the title, condition, design, or operation of the equipment, or (iii) any damage to or loss of use of the Equipment.

3. TERM OF LEASE. The Lease term for the Equipment shall be sixty (60) months and shall commence upon delivery of the Equipment to the Delivery Sites.

4. SECURITY DEPOSIT. Lessee shall deposit with Lessor the sum of _____ Dollars ($ N/A) at the time of signing this Agreement as security for the full and faithful performance by Lessee of all the terms, conditions and provisions of this Agreement, which security deposit shall be held by Lessor during the Lease term (the "Security Deposit"). Lessor shall have the right, but not the obligation, to use the Security Deposit to pay all or any portion of the expense of any unpaid rentals, of any accumulated late charges or returned check charges, as well as the expense of repairing any damage to the Equipment, except reasonable and ordinary wear and tear occurring from normal

use of the Equipment, and any charges to retake possession of the Equipment. Lessor's right to recover additional sums from Lessee for damages to the Equipment shall not be limited by the amount of the Security Deposit. In no event shall Lessee be entitled to apply the Security Deposit to any rental payment due hereunder. In the event Lessor applies all or any portion of the Security Deposit as aforesaid, Lessee shall restore the amount so applied by Lessor upon demand. The Security Deposit will be returned to Lessee within thirty (30) days after expiration of the Lease term, provided Lessee has fully performed all the terms, conditions and provisions hereof. If Lessee shall refuse to accept delivery of the Equipment, the Security Deposit shall be forfeited by Lessee to Lessor to apply, in part, as damages for breach of this Agreement, but shall not limit Lessor's right to seek additional damages.

5. INSPECTION. Lessee shall inspect the Equipment within five (5) days after delivery thereof to Lessee, unless within said period Lessee shall give notice to Lessor specifying any defects rendering the Equipment unusable or reasonably unsuitable for the purposes herein leased, it shall be conclusively presumed that Lessee has fully accepted the Equipment "as-is and where-is", that the Equipment is in full compliance with the terms of this Lease and in good condition and repair. If Lessee cancels or terminates this Lease prior to delivery of the Equipment, then Lessee shall assume all of Lessor's obligations under any purchase agreement for the Equipment and costs incurred in connection therewith, including but not limited to attorneys' fees, and Lessee agrees to indemnify and defend Lessor from any claims including any demand for payments by the manufacturer or vendor of the Equipment. Lessee acknowledges and agrees that the Equipment is of a size, design, capacity and manufacture selected by Lessee and suitable for its purposes.

6. RETURN OF EQUIPMENT. At the expiration of the Lease term (or at such other time as the Lease term is terminated), Lessee shall surrender the Equipment to Lessor, at the location of original delivery to Lessee or at such other location as Lessor and Lessee may agree upon (an "Alternate Delivery Site"). If the Alternate Delivery Site is 100 track miles or more from Atlanta, Georgia, Lessee shall pay a pick-up charge of ONE HUNDRED AND NO/100'S ($ 100.00) per track mile. At the time of return of the Equipment to Lessor, the Equipment shall be in the same condition as on the date of commencement of the Lease term, reasonable and ordinary wear and tear excepted.

7. INDEMNITY. Lessee shall, upon demand, indemnify and hold harmless Lessor and Lessor's agents and employees from and against any and all actions, causes of action, losses, damages, injuries, claims, demands, costs and expenses (including attorneys' fees) of every kind and nature, arising out of or connected with the use, ownership, condition or operation of the Equipment.

8. ASSIGNMENT OF MANUFACTURER'S WARRANTIES. To the extent assignable under the terms thereof, Lessor hereby assigns to Lessee, for and during the Lease term, with respect to the Equipment, any warranty of the manufacturer, expressed or implied, issued on any of the Equipment, and hereby authorizes Lessee to obtain the customary service furnished by the manufacturer in connection therewith, at Lessee's sole expense.

9. EXCLUSION OF WARRANTIES AND LIMITATION OF REMEDY. LESSOR IS NOT A MANUFACTURER, NOR ENGAGED IN THE SALE OR DISTRIBUTION OF EQUIPMENT, AND MAKES NO REPRESENTATIONS, PROMISES, STATEMENTS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PURPOSE OF THE

EQUIPMENT. LESSEE AGREES THAT LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LOSS, CLAIM, DEMAND, LIABILITY, COST, DAMAGE OR EXPENSE OF ANY KIND, CAUSED OR ALLEGED TO BE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY OF THE EQUIPMENT, OR BY AN INADEQUACY THEREOF FOR ANY PURPOSE, OR BY ANY DEFECTS THEREIN OR IN THE USE OR MAINTENANCE THEREOF, OR BY ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO, OR BY ANY DELAY IN PROVIDING, OR FAILURE TO PROVIDE THE SAME, OR BY ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF, OR ANY LOSS OF BUSINESS OR ANY DAMAGE WHATSOEVER AND HOWSOEVER CAUSED. IN NO EVENT SHALL LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

10. TITLE. This is a contract of leasing only, and Lessee has acquired no right, title, option or interest in or to the Equipment except as a Lessee, and shall not assert with respect to the Equipment any claim of right, title, option or interest in or to such Equipment except as Lessee hereunder. The Equipment shall always remain and be deemed personal property, even though the Equipment may hereafter become attached or affixed to realty.

11. EXPENSES, CHARGES, FEES, ETC. Lessee shall, at Lessee's expense, comply with all laws, regulations and orders relating to the Equipment or to this Lease, and shall pay all license fees, assessments and sales, use, property, excise and other taxes or penalties and interest now or hereafter imposed by any governmental body or agency upon the Equipment, or the use thereof, and does assume the risk of liability arising from or pertaining to the possession, operation or use of the Equipment. Any charges and/or expenses paid by Lessor due to the failure of Lessee to so pay and payment of which is the responsibility of Lessee under the Lease, shall become immediately due from Lessee to Lessor as additional rent and shall bear interest as delinquent rent as set forth in

paragraph 2 above. This paragraph shall survive the expiration of this Agreement and, in event that any taxes, fees, license fees, assessments and sales, use, property, excise and other taxes or penalties and interest attributable to the Equipment are found due after the expiration hereof, then upon demand, Lessee shall immediately remit same to Lessor. SEE SPECIAL STIPULATIONS

12. PROHIBITION ON PLEDGE, TRANSFER, ETC. Lessee agrees not to sell, assign, sublet, pledge or otherwise encumber or suffer a lien upon or against any interest in this Lease or the Equipment. Lessee agrees that Lessor may pledge, assign or sell this Lease, in whole or in part, without notice to Lessee, and such assignee shall be entitled to all benefits hereunder. Lessee hereby agrees not to assert any defense, counterclaim or offset which it may have against Lessor against said assignee.

13. DEFAULT. If Lessee (i) fails to pay the Monthly Rent or other amount herein provided within five (5) days after the same is due and payable, (ii) fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by Lessee, (iii) ceases doing business as a going concern, or (iv) if a petition is filed by or against Lessee under the Bankruptcy Act or any amendment thereto (including a petition for reorganization or an arrangement), or (v) if a receiver is appointed for Lessee or its property, or (vi) if Lessee commits an act of bankruptcy, becomes insolvent, makes an assignment for the benefit of creditors, offers a composition or extension of any of its indebtedness, or (vii) if Lessee, without Lessor's prior written consent, attempts to remove or sell or transfer or encumber or sublet or part with the possession of the Equipment, or (viii) if Lessor deems itself insecure, Lessor shall have the right to exercise any one or more of the following remedies: (a) To declare

the entire amount of rent hereunder immediately due and payable, without notice or demand to Lessee; (b) To sue for and recover from Lessee an amount equal to the present value of the unpaid balance of the rent due and to become due during the term of this Lease discounted at six percent (6%) per annum; (c) to enter upon Lessee's premises, with or without notice, to take possession of the Equipment without demand or notice wherever same may be located without any court order or other process of law; or (d) pursue any other right or remedy granted at law or in equity. Upon retaking possession of the Equipment, Lessor, at its option, may rent such repossessed Equipment, or any part thereof, to any third party on such terms and conditions as Lessor may determine, and may credit the amount so realized, less expenses incurred in connection with such disposition, to the unpaid balance of the rent due and to become due hereunder. Lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this Lease, and shall not relieve Lessee of its original obligation hereunder unless Lessor expressly so notifies Lessee in writing.

Should any legal proceedings be instituted by Lessor to recover any monies due or to become due hereunder, and/or for the possession of the Equipment, Lessee shall be liable for and pay all reasonable attorney's fees and costs incurred by Lessor. TIME IS OF THE ESSENCE IN THIS AGREEMENT. No waiver by Lessor of any breach or default shall constitute a waiver of any other breach or default by Lessee or waiver of any of Lessor's rights.

14. MAINTENANCE. Lessee, at its own cost and expense, shall keep all leased property in good repair, condition and working order, and shall furnish all parts, mechanisms, devices and servicing necessary to do so.

15. INSURANCE. Lessee shall, at its sole expense, furnish and maintain during the Lease term public liability insurance protecting the interest of Lessor and Lessee, as their respective interests may appear, with respect to liability for injuries to third persons and damage to or loss of use of property of third persons resulting from the operation or use of the Equipment, with standard and customary limits of coverage as Lessor may require, but in no event less than One Million Dollars ($1,000,000) for injuries to or death of one person, One Million Dollars ($1,000,000) for each accident, and One Million Dollars ($1,000,000) for damage, destruction, and/or loss of use of property as a result of any one accident. Lessor shall not be required to provide any insurance hereunder.

Lessee shall, at its sole expense, furnish and maintain all risk property insurance for the full replacement cost of the Equipment, insuring the Equipment against loss, with such deductible as Lessor shall agree to in writing.

All such insurance shall be obtained from insurers reasonably acceptable to Lessor, and all policies shall provide for thirty (30) days written notice to Lessor prior to any cancellation or reduction in coverage and shall waive as to Lessor any breach of declaration or condition by Lessee. The public liability policies shall show Lessor as a named insured and property damage policies shall provide that Lessor is the sole loss payee. Lessee shall provide, upon the commencement of the Lease term, a certificate showing that the insurance required hereunder is in force; Lessee shall, at least annually, provide such a certificate of coverage; and Lessee shall, upon request, provide copies of all such policies to Lessor. If Lessee fails to provide any such insurance, Lessor may obtain such insurance to protect its interest and Lessee shall,

promptly on demand, reimburse Lessor for the cost thereof as additional rent hereunder.

Lessee and its servants and agents will cooperate fully with Lessor and any insurance carriers in the investigation, defense and prosecution of any and all claims or suits arising from the operation of the Equipment and will cause its employees and agents (i) to make a prompt report to Lessor of the occurrence of any and all accidents, collisions or accidental damage or loss which occur while the Equipment is leased hereunder, and (ii) to promptly deliver to Lessor, or such other person or company as Lessor shall designate, any and all papers, notices and documents whatsoever served upon or delivered to Lessee and its agents and employees in connection with any claim, suit or action, commenced or threatened, against Lessee and/or Lessor arising out of the operation of the Equipment.

16. VENUE. In the event that any litigation or other legal proceeding shall arise under, and/or in connection with this Lease and/or this Guaranty, such litigation or other legal proceeding shall be conducted in a local, state or federal court located within Fulton County, Georgia. Furthermore, the undersigned hereby accepts and consents to jurisdiction and venue in any local federal or state court located in Fulton County, Georgia, and the undersigned waives any and all defenses and/or rights in opposition thereto.

17. ASSIGNMENTS. This Agreement or any interest herein may not be assigned by Lessee without the prior written consent of Lessor.

Lessor is expressly permitted to assign its interest herein and to grant a security interest in the Equipment to a bank or financial institution and Lessee hereby expressly consents to any such assignment. Lessee further agrees to execute any financing statement or other document reasonably requested by Lessor or such bank or financial institution to further confirm its security hereunder.

18. NOTICES. All notices, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given upon delivery or on the third day following mailing by registered or certified mail, return receipt requested, postage prepaid, as follows:

(a) If to Lessee, at: 1359 Central Avenue
East Point, Georgia 30344

(b) If to Lessor, at: 1789 Peachtree Road
Atlanta, Georgia 30318

19. MISCELLANEOUS. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia. This Agreement shall be binding upon the parties hereto, and their representatives, administrators, successors and assigns. The form of this Agreement is intended for general use in the United States and in the event any of the terms and provisions hereof are in

violation of or are prohibited by any law, statute or ordinance of the state, city or township where it is used, such terms and provisions shall be of no force and effect to the extent of such violation or prohibition, without invalidating any other of the terms and conditions of this Agreement. This Agreement contains no warranties, representations or assurances arising by statute or otherwise, except as are clearly stated herein. This Agreement, together with the Schedules and the Delivery Receipt, constitutes the entire agreement between the parties and supersedes any and all prior agreements, understandings and representations, express or implied, written or oral. This Agreement may not be modified except by an instrument in writing duly executed by both parties hereto.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed and delivered by a duly authorized officer, all as of the date first above written.

LESSEE:

ATTEST:

By: _____

NEWELL RECYCLING CO., INC.

By: _____

LESSOR:

GEORGIA INDUSTRIAL LEASING, INC.

By: _____
Tom Wiedeman, President and Secretary

SCHEDULE A

Description of Equipment

23 each 4,000 Cubic Foot, 100 Ton Rotary coupled Gondola Coal Cars, 53'1" coupler face to coupler face.

(GNLX 112 - GNLX 134, inclusive)

SCHEDULE B

Location of Delivery of Equipment

Newell Recycling Co. Inc.
1359 Central Avenue
Atlanta, Georgia 30344

SCHEDULE C

Delivery Receipt

The Undersigned, on behalf of Newell Recycling Co., Inc. ("Newell") and pursuant to Paragraph 1 of that certain Railroad Car Lease Agreement (the "Agreement") between Newell and Georgia Industrial Leasing, Inc., acknowledges delivery of the Equipment (as that term is defined in the Agreement).

This Delivery Receipt is executed this _____ day of _____, 1993.

ATTEST:

By:_____

NEWELL RECYCLING CO., INC.

By:_____

SPECIAL STIPULATIONS

LESSEE WILL COMPLETE THE FOLLOWING MODIFICATIONS TO THESE 23 RAILROAD CARS BEFORE THEY CAN BE USED TO TRANSPORT ANY SCRAP METAL:

1. REINFORCE SIDES AND FLOORS OF GONDOLA WITH 1/4" STEEL PLATE.
2. INSTALL INTERNAL LADDERS, CORNER SUPPORTS, AND EXTERNAL PUSH BLOCKS.
3. PAINT AND RESTENCIL CARS.