

National City
Leasing Corporation

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19902

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January 19, 1996

Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2311
12th & Constitution Ave. N.W.
Washington D.C. 20423

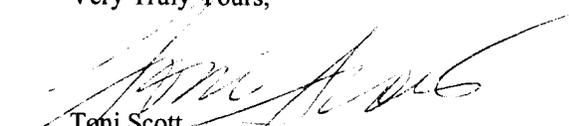
Dear Mr. Williams:

Please find enclosed for recordation an original and one copy of a Memorandum of Lease of Railroad Equipment with copies of a lease of railroad equipment attached covering the lease dated as of December 29, 1995 between National City Leasing Corporation, 101 So. Fifth St. Louisville, Ky. 40202, as Lessor and Westvaco Corporation, P.O. Box 11805, Charleston S.C. 29423, as Lessee. The lease is for forty-six (46) new 100 ton wood chip railcars, Reporting Marks WVCX 4500 through WVCX 4545

You will also find enclosed our check in the amount of \$41.00 to cover the cost of filing.

Please return a copy of the recorded document to my attention at the above address.

Very Truly Yours,


Toni Scott
Vice President

enclosure

Louisville Office
P.O. Box 36040
Louisville, KY 40233-6040
502 581-5229
Fax 502 581-6488

Cleveland Office
1900 East Ninth Street - 10th Floor
Cleveland, OH 44114-3484
216 575-3265
Fax 216 575-2601

Columbus Office
155 East Broad Street
Columbus, OH 43251-0038
614 463-7434
Fax 614 463-7959

Indianapolis Office
101 W. Washington St., Suite 200 East
Indianapolis, IN 46255
317 267-3639
Fax 317 267-8899



Interstate Commerce Commission
Washington, D.C. 20423-0001

1/22/96

Office Of The Secretary

Toni Scott-Vine President
National City Leasing Corporation
Louisville Office
P. O. Box 36040
Louisville, KY 40233-6040

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of
the Interstate Commerce Act, 49 U.S.C. 11303, on 1/22/96 at 10:40AM , and
assigned recordation number(s). 19902.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

(0100930023)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

EXHIBIT A

**To the Memorandum of Lease of Railroad Equipment
dated the 29th day of December, 1995**

between

NATIONAL CITY LEASING CORPORATION

and

WESTVACO CORPORATION

Equipment Description

BAY 46 - new 100 ton wood chip railcars manufactured by Freight Car Services

Reporting Mark:

WVCX

Numbers:

4500 through 4545 *BAY*

EQUIPMENT LEASE AGREEMENT

LESSEE:

Name: Westvaco Corporation
Bleached Board Division
Address: Short Street
City: Covington
State: Virginia
Zip Code: 24426

LESSOR:

Name: BancOhio National Bank
Address: 155 East Broad Street
City: Columbus
State: Ohio
Zip Code: 43251

1. **LEASE.** Upon the Terms and Conditions set forth herein, Lessor leases to Lessee and Lessee leases and hires from Lessor the machinery, equipment and personal property, together with all parts, repairs, additions, accessories and accessions thereto (the "Equipment"), described in the Schedule or Schedules (the "Schedule") attached hereto at the execution hereof or at any time hereafter executed by the parties and made a part hereof. The term "Lease" shall mean the Terms and Conditions set forth herein, the Schedule, and any extensions or renewals hereof.
2. **TERM OF LEASE.** Unless a specific date is set forth in any Schedule hereto, this Lease and the rent and other sums due hereunder shall commence on the date Lessee accepts the Equipment, pursuant to paragraph 6 hereof, and shall end after full performance of the Terms and Conditions of this Lease.
3. **RENT.** This is a net Lease, and Lessee shall pay, without notice or demand, the installment of rent (the "Rent") for each and every item of the Equipment described in the Schedule, in the amount designated in the Schedule, all amounts constituting additional rent hereunder and all other sums payable with respect to the Lease. The Rent shall be due and payable on the dates set forth therein. Lessee shall also promptly pay all other costs, expenses and obligations relating to the Equipment, and the Rent, any additional rent, and such other sums payable by Lessee to Lessor shall not be subject to setoff, deduction or credit for any reason. Lessee shall pay all sums due with respect to the lease at the office of Lessor or its assigns, or to such other person and/or such other place as Lessor may, from time to time, designate in writing.
4. **EQUIPMENT SELECTION.** Lessee has selected both the Equipment and the supplier and has directed Lessor to purchase the Equipment from such supplier for shipment directly to Lessee. Lessor shall not be liable for any loss or damage by reason of supplier's delay or failure to ship any item of the Equipment. If, for any reason, any of the Equipment is not delivered to and accepted by Lessee within thirty (30) days from the date of Lessor's purchase order or Lessee's execution of the Lease, whichever occurs later, Lessor may terminate the Lease of the Equipment upon written notice to Lessee.

COPY

5. WARRANTY DISCLAIMER. LESSOR NOT BEING THE MANUFACTURER OR THE SUPPLIER OF THE EQUIPMENT, NOR A DEALER IN SIMILAR EQUIPMENT, HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, WITH RESPECT TO THE DESIGN, CONDITION, DURABILITY, SUITABILITY, FITNESS FOR USE OR PARTICULAR PURPOSE, OR MERCHANTABILITY OF THE EQUIPMENT IN ANY RESPECT, WITH RESPECT TO THE QUALITY OR CAPACITY OF THE EQUIPMENT, WITH RESPECT TO THE WORKMANSHIP OF THE EQUIPMENT, WITH RESPECT TO THE COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO, WITH RESPECT TO PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, OR WITH RESPECT TO LATENT DEFECTS. AS BETWEEN LESSOR AND LESSEE, THE EQUIPMENT SHALL BE ACCEPTED AND LEASED BY LESSEE "AS IS" AND "WITH ALL FAULTS." Lessor assigns, authorizes and appoints Lessee to enforce, in its own name and at its own expense, any claim, warranty, agreement or representation which may be made against the manufacturer or supplier, but Lessor assumes no obligation as to the extent or enforceability thereof. NO DELAY IN SHIPMENT, DEFECT IN FITNESS OF THE EQUIPMENT, LOSS OR DAMAGE THERETO OR ANY OTHER CIRCUMSTANCES SHALL RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS LEASE WHICH ARE ABSOLUTE AND UNCONDITIONAL. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES.
6. ORDER AND DELIVERY. Lessee shall inspect each item of the Equipment promptly upon delivery. If the Equipment has been delivered in good repair, Lessee, within fifteen (15) days of such delivery, shall accept such Equipment for lease hereunder by executing and delivering to Lessor a Certificate of Delivery and Acceptance (the "Acceptance") in a form approved by Lessor. Lessor is authorized to insert descriptive material, including serial numbers, costs, and other data which correctly and properly identifies the Equipment, the commencement date of the Lease and other information. If Lessee fails to execute and deliver to Lessor the Acceptance after delivery of the Equipment to Lessee then, unless Lessee has notified Lessor in writing of any defects in or other discrepancies with respect to the Equipment, it shall be conclusively presumed, as between Lessor and Lessee, that the Equipment has been unconditionally accepted by Lessee for lease hereunder. If Lessee rejects any item of the Equipment, Lessee shall on the demand of Lessor, pay Lessor any amount theretofore paid or owing by Lessor in respect to the purchase of the Equipment and upon payment, Lessor shall assign to Lessee, "as is" and "with all faults", any and all of Lessor's right, title and interest in the Equipment and the documents applicable thereto. Lessee will hold Lessor harmless from all claims arising from Lessee's failure to accept the Equipment.
7. IDENTITY. If at any time during the term of the Lease, Lessor supplies Lessee with labels, plates, or other markings indicating Lessor's ownership of the Equipment, Lessee shall affix and keep the same upon a prominent place on the Equipment. All replacements, repairs or accessories become component parts of the Equipment; and, Lessee shall not make any additions, subtractions or alterations to the Equipment without the prior written consent of Lessor.
8. PERSONAL PROPERTY. The Equipment is and shall remain personal property even though it may be attached or otherwise affixed to or incorporated in any structure or real estate.

9. LOCATION; INSPECTIONS. Lessee shall keep the Equipment in its possession and control at the location specified in the Schedule, or at such other location to which the Equipment may have been moved with the prior written consent of Lessor. Lessor, during normal business hours, may enter the premises where the Equipment is located and inspect the same.
10. USE; MAINTENANCE; REPAIRS. The Equipment shall at all times be the sole and exclusive property of Lessor, and Lessee shall have no rights or interest therein except as set forth in this lease; provided, however, that at all times during the term of this Lease, so long as Lessee is not in default hereunder, Lessee shall be entitled to the uninterrupted and quiet enjoyment of the use of the Equipment in the regular course of its business. Lessee, at its sole expense, shall keep all of the Equipment in good repair, condition and working order and shall furnish all labor, parts and supplies required therefore. Lessee shall use the Equipment in accordance with all instructions and warranties of the manufacturer of the Equipment and in accordance with all federal, state, municipal, police and other laws, ordinances and regulations which in any way relate to the possession, use or maintenance of the Equipment.
11. LIENS; TAXES. Lessee shall keep the Equipment free and clear of levies, liens, and encumbrances and shall pay all license, registration fees, assessments, filing or recording fees, documentary stamp taxes, sales/use taxes, personal property taxes, income taxes, excise taxes and all other taxes, local, state and federal, which now or may hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, whether assessed to Lessor or to Lessee excluding, however, all taxes on or measured by Lessor's net income. With respect to all such taxes, Lessor may pay such taxes, which amounts shall be promptly reimbursed to Lessor by Lessee.
12. RISK OF LOSS. All risk of loss, damage, theft or destruction of each item of the Equipment shall be borne by Lessee. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall impair the obligation of Lessee under this Lease; and Lessee, shall: (a) place the Equipment in good, repair, condition and working order; or (b) replace the same with like equipment; or (c) pay Lessor an amount equal to the Damage, computed with respect to the Equipment in accordance with the provisions of paragraph 19(b) hereof.
13. INSURANCE. Lessee shall keep the Equipment insured against all risk of loss or damages from every cause for not less than the full replacement value of the Equipment, and shall carry public liability and property damage insurance covering the Equipment. All insurance shall be in an amount sufficient to provide for the full replacement value of the Equipment, and shall be in the joint names of Lessor and Lessee. Lessee shall pay the premiums for all insurance and shall deliver either the policies or certificates of insurance to Lessor. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor thirty (30) days written notice before the policy in question shall be cancelled. The proceeds of such insurance shall be applied to the replacement, repair or restoration of the Equipment which may be lost, stolen, destroyed or damaged.

14. **RETURN OF EQUIPMENT.** At the expiration of or the earlier termination of the initial term of each item of the Equipment, Lessee at its own expense shall return the Equipment, properly packed and crated with freight prepaid to Lessor at such place and by such reasonable means as may be designated by Lessor in the same repair, condition and working order as it was at the commencement of the Lease, reasonable wear and tear resulting from proper use excepted.
15. **INDEMNIFICATION.** Lessee hereby indemnifies, saves and holds harmless Lessor from any and all liabilities, losses, damages, claims, actions, suits, costs, expenses, penalties and disbursements, including court costs and legal fees, of whatever kind and nature, imposed on, incurred by or asserted against Lessor in any way relating to or arising out of this Lease or the manufacture, purchase, ownership, delivery, lease, use, operation, possession, condition, return or other disposition of the Equipment by Lessor or Lessee, (excepting any claim which is attributable solely to Lessor's negligence) but including any claim for latent or other defects, or any claim arising out of strict liability in tort, or any claim for taxes for which Lessee is responsible pursuant to paragraph 11 hereof.
16. **LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATION.** If Lessee shall fail to properly and promptly perform any of its obligations under this Lease, Lessor may, at its option, perform any act or make any payment which Lessor deems necessary to the maintenance and preservation of the Equipment and Lessor's title thereto, including payment for satisfaction of liens, repairs, taxes, levies and insurance. All sums so paid or incurred by Lessor, together with interest as provided herein and all reasonable attorney fees incurred by Lessor in connection therewith, shall be additional rent under this Lease and payable by Lessee to Lessor on demand. All payments received by Lessor from Lessee shall be first applied by Lessor to all amounts constituting additional rent hereunder and the balance, if any, next to the payment of the Rent. The performance of any act or payment made by Lessor shall not be deemed a waiver or release of any obligation or default on the part of the Lessee. Should Lessee fail to promptly pay any part of the Rent, any additional rent, or any amount due to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at the rate of twelve percent (12%) per annum, if not prohibited by law or otherwise at the highest lawful contract rate.
17. **EVENTS OF DEFAULT.** Lessee shall be in default under this Lease upon receipt of written notice from Lessor on the happening of any of the following events or conditions ("Events of Default"):
- (a) Default in payment of the Rent, any additional rent, or any other sum due for a period of ten (10) days after prior written notice shall have been delivered to Lessee;
 - (b) Default or breach or failure to perform any non-monetary obligation, covenant or liability contained in this Lease or any other agreement or document with Lessor and the continuation of such default for thirty (30) days after prior written notice shall have been delivered to Lessee;
 - (c) Voluntary bankruptcy, receivership or other insolvency proceedings are instituted by Lessee; or involuntary bankruptcy, receivership or other insolvency proceedings are instituted against Lessee and are not dismissed within 60 days of their institution;

14. RETURN OF EQUIPMENT. At the expiration of or the earlier termination of the initial term of each item of the Equipment, Lessee at its own expense shall return the Equipment, properly packed and crated with freight prepaid to Lessor at such place and by such reasonable means as may be designated by Lessor in the same repair, condition and working order as it was at the commencement of the Lease, reasonable wear and tear resulting from proper use excepted.

15. INDEMNIFICATION. Lessee hereby indemnifies, saves and holds harmless Lessor from any and all liabilities, losses, damages, claims, actions, suits, costs, expenses, penalties and disbursements, including court costs and legal fees, of whatever kind and nature, imposed on, incurred by or asserted against Lessor in any way relating to or arising out of this Lease or the manufacture, purchase, ownership, delivery, lease, use, operation, possession, condition, return or other disposition of the Equipment by Lessor or Lessee, (excepting any claim which is attributable solely to Lessor's negligence) but including any claim for latent or other defects, or any claim arising out of strict liability in tort, or any claim for taxes for which Lessee is responsible pursuant to paragraph 11 hereof.

16. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATION. If Lessee shall fail to properly and promptly perform any of its obligations under this Lease, Lessor may, at its option, perform any act or make any payment which Lessor deems necessary to the maintenance and preservation of the Equipment and Lessor's title thereto, including payment for satisfaction of liens, repairs, taxes, levies and insurance. All sums so paid or incurred by Lessor, together with interest as provided herein and all reasonable attorney fees incurred by Lessor in connection therewith, shall be additional rent under this Lease and payable by Lessee to Lessor on demand. All payments received by Lessor from Lessee shall be first applied by Lessor to all amounts constituting additional rent hereunder and the balance, if any, next to the payment of the Rent. The performance of any act or payment made by Lessor shall not be deemed a waiver or release of any obligation or default on the part of the Lessee. Should Lessee fail to promptly pay any part of the Rent, any additional rent, or any amount due to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at the rate of twelve percent (12%) per annum, if not prohibited by law or otherwise at the highest lawful contract rate.

17. EVENTS OF DEFAULT. Lessee shall be in default under this Lease upon receipt of written notice from Lessor on the happening of any of the following events or conditions ("Events of Default"):

- (a) Default in payment of the Rent, any additional rent, or any other sum due for a period of ten (10) days after prior written notice shall have been delivered to Lessee;
- (b) Default or breach or failure to perform any non-monetary obligation, covenant or liability contained in this Lease or any other agreement or document with Lessor and the continuation of such default for thirty (30) days after prior written notice shall have been delivered to Lessee;

Voluntary

(c) A bankruptcy, receivership or other insolvency proceedings are instituted by Lessee; or involuntary bankruptcy, receivership or other insolvency proceedings are instituted against Lessee and are not dismissed within 60 days of their institution;

- (d) Any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee in this Lease, any Schedule or Addendum hereto, or in any other agreement between Lessor and Lessee proves to have been false in any material respect when made or furnished and the continuation of such default for thirty (30) days;
- (e) The attempted sale or encumbrance of the Equipment by Lessee or the making of any levy, seizure or attachment of the Equipment; or
- (f) The dissolution, termination, or discontinuance of the business of Lessee or the sale, lease or other disposition of all or substantially all of the assets of Lessee in a manner other than in the ordinary course of business.

18. REMEDIES OF LESSOR. (a) Upon the occurrence of an Event of Default and at any time thereafter (subject to any applicable grace provisions), Lessor may without any further notice to Lessee, exercise any one or more of the remedies provided by applicable law, including but not limited to the following:

- (1) to declare all Rent, additional rent, and other sums immediately due and payable after prior written notice shall have been delivered to Lessee;
- (2) to enter the premises where the Equipment is located, and take and carry away the Equipment by legal process;
- (3) to sell the Equipment at public or private sale or in one or more sales, as a unit or in parcels, for the best price that Lessor can obtain, and upon such terms as Lessor may deem desirable;
- (4) to be the purchaser at said sale;
- (5) to require Lessee to pay all reasonable expenses of sale, taking, keeping and storage of the Equipment, together with reasonable attorney fees;
- (6) to apply the proceeds of said sale to the expenses and to the payment of Rent, additional rent, and other sums due under the Lease in such order of application as Lessor elects;
- (7) to require Lessee to assemble the Equipment at a convenient place;
- (8) to terminate this Lease;
- (9) to sue for and recover all Rent, additional rents, and other sums then accrued or thereafter accruing; and
- (10) to pursue any other remedy.

COPY

- (b) Without limiting the generality of the remedies identified herein, upon the occurrence of an Event of Default and the election of Lessor to pursue its damage claims as or with one or more of the remedies set forth in subparagraph 19(a), then Lessor shall have an affirmative duty to mitigate its damages as set forth herein.

In the event Lessor elects to pursue its damage claims against Lessee and the Equipment is not surrendered to Lessor, or Lessor does not otherwise come into the possession of the Equipment, or the Equipment is damaged beyond any practicable means of restoring it for purposes of sale, then in determining the damages of Lessor the following formula shall be used ("Damages"):

- (1) the total Rent due under the Lease, minus
- (2) the "Unearned Rent" (hereinafter defined), minus
- (3) all Rent received by Lessor, plus
- (4) the amount set forth in paragraph 3 of the Renewal Option executed as an addendum to this Lease, plus
- (5) all sums due as additional rent defined in paragraph 16 hereof equals
- (6) the "Damages" due.

The "Unearned Rent" shall mean an amount computed by multiplying the "Gross Lease Earnings" (hereinafter defined), by a fraction with the denominator being equal to an amount computed under the sum of the digits method beginning with the digit "1", representing the first month of the original Term of Lease, the digit "2" being the second month and so on, adding consecutive digits for each corresponding month in the original Term of Lease, and the numerator of such fraction being equal to an amount computed under the sum of the digits method beginning with the digit "1" for the first month subsequent to the last period for which the Rent has been received and applied to the Lease and adding consecutive digits for each month remaining in the original Term of Lease until and including the digit representing the last month of the original Term of Lease.

The "Gross Lease Earnings" shall mean an amount computed by subtracting from the total Rent due under the Lease, the original cost of the Equipment to Lessor.

In the event Lessor elects to pursue its damage claims against Lessee and the Equipment is surrendered to Lessor, or Lessor otherwise comes into the possession of the Equipment, and the Equipment is not so damaged as to be beyond a practicable means of restoring it for purposes of sale, then to the Damage as determined in this subparagraph 19(b), there shall be added all of the costs and expenses identified in subparagraph 19(a)(6), and from such total the proceeds of any sale of the Equipment, as specified in subparagraph 19(a)(4), shall be deducted.

(c) From and after the determination of Damages as provided in subparagraph 19(b), interest on the total of such Damages, until paid, shall be at the rate of twelve percent (12%) per annum, or at the highest rate permitted by law.

19. **ASSIGNMENT BY LESSEE.** Without the prior written consent of Lessor, Lessee shall not assign, sublet, lend or pledge any interest in this Lease or the Equipment or any part thereof or any interest therein. The consent to any of the foregoing prohibited acts applies only in a given instance and is not a consent to any subsequent like act by Lessee or any other person.
20. **ASSIGNMENT BY LESSOR.** Lessor may, with prior notice to Lessee, assign part or all of its right, title and interest in and to this Lease, subject to Lessee's rights hereunder. In the event of an assignment by Lessor, such assignment will not relieve Lessor from its obligations hereunder nor will it be construed to be an assumption by the assignee of Lessor's obligations. If Lessor assigns this Lease or the Rent, additional rent and all other sums due or to become due hereunder or any other interest herein, no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor and Lessee shall excuse performance by Lessee of any provision hereof. In the event of an assignment of all amounts due or to become due hereunder and upon written notice to Lessee, Lessee agrees to unconditionally pay directly to the assignee of Lessor all amounts due or to become due under this Lease. **THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM, RECOUPMENT, ABATEMENT OR SETOFF WHICH LESSEE MAY HAVE AGAINST LESSOR.** LESSOR WARRANTS THAT LESSEE SHALL QUIETLY ENJOY THE USE OF THE EQUIPMENT SUBJECT TO THE TERMS AND CONDITIONS OF THIS LEASE SO LONG AS LESSEE IS NOT IN DEFAULT HEREUNDER. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successors, executors and assigns of the parties hereto.
21. **SEVERABILITY.** Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction be ineffective to the extent of the prohibition or unenforceability of such provision, without invalidating the remaining provisions of this Lease. To the extent permitted by applicable law, Lessee waives any provision of applicable law which prohibits or renders unenforceable any provision hereof in any respect.
22. **NOTICES.** Any notice required or permitted to be given to or by the undersigned hereunder shall be deemed to have been given to a party when addressed to the undersigned party at the address set forth as follows:

If to Lessor:

BancOhio National Bank
Attention: Leasing Department
155 East Broad Street
Columbus, Ohio 43251

If to Lessee:

Westvaco Corporation
Corporate Secretary
299 Park Ave.
New York, New York 10171

and in all instances when hand delivered or received in the United States mail, by registered mail with return receipt requested, duly addressed and with postage prepaid.

23. CONSTRUCTION. This Lease shall in all respects be governed by and construed in accordance with the laws of the State of Ohio. The titles of the sections or paragraphs of this Lease are for the convenience of the parties and shall not bind or limit any of the terms or provisions of the Lease. Whenever the context of this Lease requires, the neuter gender includes the masculine or the feminine, and the singular number includes the plural; and, wherever the word "Lessor" is used herein, it shall include all assignees of Lessor. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several. Time is of the essence of this Lease in each and all of the provisions. This Lease, the Schedule hereto and any Addendum to this Lease constitute the entire agreement between Lessor and Lessee and no term or provision of this Lease shall be amended, altered or changed except by the written agreement signed by the parties hereto. Forbearance or indulgence by Lessee in any regard shall not constitute a waiver of the covenant or condition to be performed by Lessee and, until complete performance by Lessee of said covenant or condition, Lessor shall be entitled to invoke any remedy available to Lessor under this Lease by law or in equity despite any forbearance or indulgence.

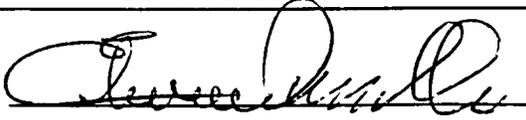
24. SECURITY DEPOSIT. If a security deposit is set forth in any Schedule relating to any item of Equipment, Lessor may, at its option, apply the security deposit to cure any default of Lessee, whereupon Lessee shall promptly restore said security deposit to its original amount. Upon the expiration or earlier termination of this Lease or any extension or renewal thereof, if Lessee has paid all Rent, all additional rent and all other sums herein called for and fully performed all of the covenants of this Lease on its part, Lessor will return to Lessee any then remaining balance of said security deposit without interest.

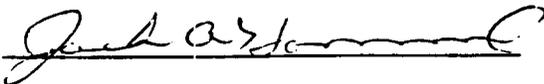
LESSOR:

LESSEE:

BancOhio National Bank

Westvaco Corporation

By: 

By:  ack

Its: Vice President

Its: Vice President

Dated: September 14, 1992

Dated: March 12, 1992

Executed at: New York, NY

BMK778:dln

COPY

ASSIGNMENT OF LEASE

BANCOHIO NATIONAL BANK ("Assignor") for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby sell, assign, transfer and set over unto NATIONAL CITY LEASING CORPORATION ("Assignee") and its successors and assigns, all of Assignor's right, title, interest, powers and privileges in and to that certain lease agreement dated March 12, 1992, by and between Assignor as Lessor and WESTVACO CORPORATION, as Lessee(s) ("Lessee"), together with all schedules described on the attached Exhibit A and documents related thereto as they may from time to time be amended and supplemented (collectively the "Lease"), and does hereby appoint Assignee its true and lawful attorney-in-fact for it and in its name, place and stead, with full power of substitution, to ask, require, demand and receive all monies due under the Lease and upon non-payment thereof to sue for, recover and receive the same, and on payment thereof to give releases, receipts and discharges thereof. Assignor does hereby sell, assign, transfer and set over all equipment leased under the Lease, not as a security interest, but as an absolute conveyance.

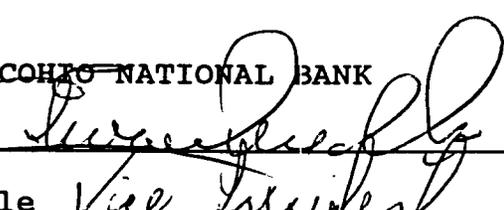
This assignment is made effective as of and contemporaneously with the execution and delivery of the Lease and to reflect the intention of Assignor and Assignee that the Assignee be the original Lessor hereunder and the original owner of the equipment lease under the Lease..

Notwithstanding any provisions of the Lease, or any related documents, to the contrary, all obligations under the Lease are hereby assumed by the Assignee effective as of and contemporaneously with the execution and delivery of the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their respective duly authorized officers, on this 29 day of SEPT., 1992, but effective as of the date and time of execution and delivery of the Lease.

ASSIGNOR:

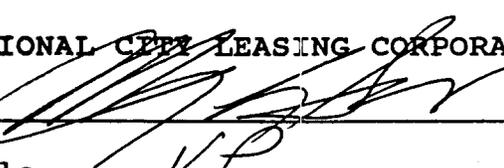
BANCOHIO NATIONAL BANK

By 

Title Vice President

ASSIGNEE:

NATIONAL CITY LEASING CORPORATION

By 

Title V.P.

EXHIBIT A

To Assignment of Lease dated the 29th day of SEPT, 1992.

<u>Schedule #</u>	<u>Schedule Date</u>	<u>Description of Equipment</u>
01	03/12/92	Accuray Autospec Sheet Inspection System

ASSIGNOR:

BANCOHIO NATIONAL BANK

By [Signature]

Title Vice President

ASSIGNEE:

NATIONAL CITY LEASING CORPORATION

By [Signature]

Title [Signature]

WC34/T/2
09/16/92

EQUIPMENT LEASE SCHEDULE

No. 00004

This Equipment Lease Schedule dated as of December 29, 1995 is hereby incorporated in and made a part of that certain Equipment Lease Agreement ("**Lease**") executed on March 12, 1992, on behalf of **WESTVACO CORPORATION** ("**Lessee**") and on September 14, 1992, on behalf of BancOhio National Bank ("**Bank**") and thereafter assigned by Bank to **NATIONAL CITY LEASING CORPORATION** ("**Lessor**") by Assignment of Lease dated September 29, 1992.

1. **DESCRIPTION OF EQUIPMENT:** See *Exhibit A* attached hereto.
2. **LOCATION OF EQUIPMENT:** Not applicable.
3. **LESSOR COST OF EQUIPMENT:** The cost of the Equipment including applicable sales, use or similar taxes, installation fees, software charges and delivery charges shall not exceed \$7,142,600.00 ("**Lessors' Cost**").
4. **SECURITY DEPOSIT:** Not applicable.
5. **LEASE TERM:** The Lease Term with respect to the Equipment shall commence on December 29, 1995 (the "**Commencement Date**"), and shall terminate on December 29, 2015. Such Lease Term may be preceded by an interim period (the "**Interim Period**") commencing the date of delivery of each Unit, as stated in each Certificate of Delivery and Acceptance (the "**Acceptance Date**") and ending the Commencement Date.
6. **RENT:** Except as otherwise provided in the Lease or on this Schedule, the Rent shall be payable in eighty (80) quarterly installments, each in the amount equal to 1.957% of Lessor's Cost as set forth in Exhibit A hereto, commencing on December 29, 1995. Rent for the Interim Period, if any, shall be paid Lessor on the Commencement Date and shall be calculated by multiplying Lessor's Cost by a factor of 0.021749456%, the product of which shall then be multiplied by the number of days comprising the Interim Period, not including the Commencement Date.
7. **LEASE END OPTIONS:**
 - (a) **Purchase Option.** At the end of the Lease Term, provided that no Event of Default shall have occurred and be continuing, Lessee shall have the option to purchase all, but not less than all, of the Equipment for a purchase price equal to the greater of
 - (i) the then Fair Market Value of the Equipment (determined on the basis of and equal to the value that would be obtained in a transaction between an informed and willing buyer and seller) or
 - (ii) twenty-five percent (25%) of Lessor's Cost.

Such election must be made in writing to Lessor not less than one hundred eighty (180) days prior to the end of the Lease Term.

- (b) **Renewal Option.** At the end of the initial Lease Term, provided that no Event of Default shall have occurred and be continuing, Lessee shall have the option to renew the Lease with respect to all, but not less than all, of the Equipment for an additional period of twelve (12) months commencing upon the end of the Lease Term at the then Fair Market Renewal Rent (determined on the basis of and equal to the amount that would be obtained in a lease transaction between an informed and willing lessee and lessor), not to exceed eighty percent (80%) of the Rent for the initial Lease Term. Such election must be made in writing to Lessor not less than one hundred eighty (180) days prior to the end of the initial Lease Term.
- (c) **Return of Equipment.** At the end of the Lease Term, Lessee shall have the option to return all, but not less than all, of the Equipment in the condition required in Section 7 of Exhibit B to this Schedule. Such election must be made in writing to Lessor not less than one hundred eighty (180) days prior to the end of the Lease Term.

8. **SPECIAL TERMS AND CONDITIONS:** See Exhibit B attached hereto.

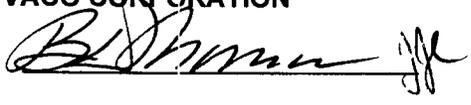
Lessor

Lessee

NATIONAL CITY LEASING CORPORATION

WESTVACO CORPORATION

By: 

By: 

Title: 

Title: Sr. Vice President

EXHIBIT B
to Equipment Lease Schedule No. 00004
dated as of December 29, 1995
between
NATIONAL CITY LEASING CORPORATION, as Lessor
and
WESTVACO CORPORATION, as Lessee

The terms and conditions set forth in this Exhibit B are in addition to and not in place of the terms and conditions of the Lease, and shall apply only to this Equipment Lease Schedule (the "**Schedule**"), in the event the terms and conditions of this *Exhibit B* conflict with the terms and conditions of the Lease, the terms and conditions of this *Exhibit B* shall control.

1. Car Hire Earnings.

- (a) Upon delivery of the Units, with reporting marks on each Unit as set forth in Section 2 hereof and *Exhibit A* to the Schedule, Lessee shall enjoy all car hire earnings (per diem and mileage) thereafter until the expiration or sooner termination of the Lease.
- (b) Lessee shall not, without Lessor's prior written consent, voluntarily elect to describe any Unit subject to the Lease by designating any Unit a market rate car pursuant to 49 CFR §1033.1(b)(3).

2. Identification Marks.

Lessee shall, at its expense and as directed by Lessor

- (a) mark each Unit to bear the reporting mark and an identifying number as provided in *Exhibit A* to this Schedule and
- (b) place Automatic Equipment Identification Tags on each Unit.

Lessee will cause each Unit to be kept tagged and numbered with the identifying number as set forth in *Exhibit A* to this Schedule and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of such Unit in letters not less than one inch in height, the words

"Ownership subject to a security agreement filed with
the Interstate Commerce Commission"

or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the owner and the rights of Lessor under the Lease. Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such names and word or words shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. Lessee will not permit the identifying number of any Unit to be changed without written consent of Lessor and in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed in all public offices where the Lease will have been filed, recorded and deposited.

3. **Termination.** Provided Lessee is not in default hereunder, Lessee shall have the option beginning on the fifth (5th) anniversary of the Commencement Date for each Schedule and on each anniversary thereafter (each a "**Termination Date**") during the term of each Schedule, Lessee shall have the option, exercisable by written notice to Lessor received by Lessor not less than one hundred eighty (180) days prior to the Termination Date,

(i) to terminate the lease and purchase the Equipment by paying Lessor on or before the Termination Date

(1) all sums due and owing under such Schedule up to and including the Termination Date

plus

(2) the amount specified in the Termination Schedule attached hereto as *Annex II* or

(ii) In the event that Lessee shall not elect to purchase the Equipment, to terminate the lease and sell said Equipment, as agent for Lessor, in a commercially reasonable manner, on or before the Termination Date. In connection therewith, Lessee shall pay to Lessor, on the aforementioned day, an amount equal to the proceeds from the sale of such Equipment.

Upon Lessee's payment to Lessor of the foregoing amounts, together with all sales and other taxes as may be applicable to the transfer of Equipment, Lessor shall transfer said Equipment to Lessee or third party as provided without recourse to or warranty by Lessor.

In the event the proceeds received by Lessor from the sale of the Equipment to either the Lessee or a third party as provided above shall be less than the amount specified in (i) above (the "**Termination Value**"), Lessee shall pay to Lessor on the day sale proceeds are required to be paid, an amount equal to the difference between said sales proceeds and the Termination Value.

4. **Maintenance.** Lessee shall at all times during the Term of the Lease, at its own cost and expense, in accordance with the AAR Interchange Rules and FRA Railroad Freight Car Safety Standards, cause each Unit to be maintained, serviced and repaired so as to keep it in as good operating condition, working order and repair as it was when it first became subject to the Lease, ordinary wear and tear excepted.

5. **Return of the Units Upon Expiration of Term.** As soon as practicable on or after the expiration or earlier termination of the Term of the Lease with respect to any Unit, Lessee shall, at its own cost and expense, at the request of Lessor, deliver possession of the Unit to Lessor at a place designated by Lessor within a 500 mile radius of Charleston, South Carolina. Subject to Section 3, Lessee shall return each Unit to Lessor

(i) in as good condition, order and repair as when delivered to Lessee, ordinary wear and tear excepted,

- (ii) in condition suitable for movement in the interchange system in conformity with all applicable laws and regulations including the AAR Code of Rules and FRA Railroad Freight Car Safety Standards,
- (iii) free of Rule 95 damage and
- (iv) free from all accumulations from commodities transported in or on it while in the service of Lessee.

Lessee shall, provide Lessor storage for the Unit free of charge for a period not exceeding ninety (90) days ("**Free Storage Period**") after such expiration, and transport the Unit to any reasonable place for shipment, all as mutually agreed upon between Lessor and Lessee. The movement and storage of the Unit shall be at the expense and risk of Lessee if Lessor has given movement and storage instructions within the Free Storage Period; *provided, however,* that if Lessor instructs Lessee to store any Unit for a period beyond the Free Storage Period, such additional storage shall be at the expense and risk of Lessor with the exception of any loss, damage or destruction caused by negligence or willful misconduct of Lessee. During any storage period Lessee shall permit Lessor or any person designated by it, to inspect the same at such reasonable time or times as shall be reasonably acceptable to Lessee.

6. **Return of Units Upon Default.** If the Lease shall be terminated pursuant to Section 17 of the Lease, Lessee shall forthwith deliver possession of the Units to Lessor. The condition of the Units upon such return shall be as required pursuant to this Section 6. For the purpose of delivering possession of any Unit or Units to Lessor as above required, Lessee shall at its own cost, expense and risk:

- (a) forthwith place such Units upon such storage tracks of Lessee as Lessor reasonably may designate or, in the absence of such designation, as Lessee may select,
- (b) permit Lessor to store such Units on such tracks for a period not exceeding six (6) months at the risk and expense of Lessee and
- (c) transport the same, at any time within such six (6) month period, to any place on the lines of railroad operated by Lessee or to any connecting carrier for shipment, all as reasonably directed by Lessor. The assembling, deliver, storage and transporting of the Units as provided in this Section 8 are of the essence of the Lease, and upon application to any court or equity having jurisdiction in the premises, Lessor shall be entitle to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Units.

7. **Recording.** Upon full execution of the Schedule to which this *Exhibit B* is attached by both parties, Lessor will cause a Memorandum of the Lease in the form attached hereto as *Annex III* to be filed and recorded with the Interstate Commerce Commission in accordance with 49 USC §11303..

8. **Remedies of Lessor.** Subsection 18(b)(4) of the Lease shall be deleted in its entirety and replaced by the following language:

"(4) an amount equal to twenty-five percent (25%) of the original cost of the damaged Equipment, plus"

9. **Correction of References.** The following references in the Lease shall be deleted and replaced as indicated below:

Delete

subsection 19(a)
subsection 19(a)(4)
subsection 19(a)(6)
subsection 19(b)

Replace with

subsection 18(a)
subsection 18(a)(4)
subsection 18(a)(6)
subsection 18(b)

Lessor

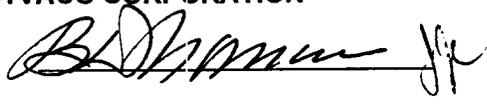
NATIONAL CITY LEASING CORPORATION

By: 

Title: VP

Lessee

WESTVACO CORPORATION

By: 

Title: Sr. Vice President

ANNEX I

CERTIFICATE OF DELIVERY AND ACCEPTANCE

The undersigned, a duly authorized representative of WESTVACO CORPORATION, ("Lessee"), does hereby certify that he has caused to be inspected and, on the Acceptance Date set out below, has accepted on behalf of Lessee the following described Units of equipment, which Units are in good order, condition and repair and conform in all respects to the terms, provisions, requirements and standards of that certain Equipment Lease dated as the 29th day of December, 1995 between NATIONAL CITY LEASING CORPORATION and Lessee.

Equipment Description:

BAV46 - new 100 ton wood chip railcars manufactured by Freight Car Services

Reporting Marks:

WVCX

Numbers:

4500 through 4545

BAV

Acceptance Date:

December 29, 1995

AUTHORIZED REPRESENTATIVE

WESTVACO CORPORATION

By:

[Signature]

Title:

Sr. Vice President

Date:

Dec. 29, 1995

ANNEX II

Termination Schedule

12/29/2000 – 94.41023115%
12/29/2001 – 91.44137503%
12/29/2002 – 88.311792905%
12/29/2003 – 84.54887920%
12/29/2004 – 80.79931294%
12/29/2005 – 76.85962512%
12/29/2006 – 72.71969953%
12/29/2007 – 68.36888168%
12/29/2008 – 63.79595017%
12/29/2009 – 58.98908649%
12/29/2010 – 53.93584332%
12/29/2011 – 48.62311099%
12/29/2012 – 43.50000000%
12/29/2013 – 37.39636713%
12/29/2014 – 31.22975100%

EXHIBIT A
to Equipment Lease Schedule No. 00004
dated as of December 29, 1995
between
NATIONAL CITY LEASING CORPORATION, as Lessor
and
WESTVACO CORPORATION, as Lessee

Equipment Description:

BA 46 - new 100 ton wood chip railcars manufactured by Freight Car Services

Reporting Mark:

WVCX

Numbers:

4500 through 4545 *BA*

Lessor's Cost

\$ 3,285,596.00 *BA*