

**National City**  
Leasing Corporation

March 27, 1996

*19902 B*

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

MAR 27 10 09 AM  
FEDERAL COMMISSION

MAR 28 8 43 AM '96  
COMMUNICATIONS SECTION

Dear Mr. Williams:

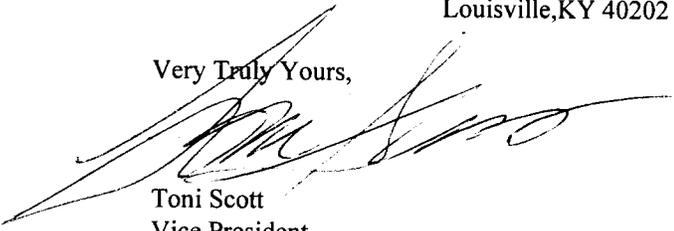
Please find enclosed for recordation two Memorandum of Lease of Railroad Equipment with copies of Equipment Lease Schedule 00005 to an Equipment Lease Agreement dated March 12, 1992 between Westvaco Corporation, Lessee and BancOhio National Bank, as Lessor, further assigned to National City Leasing Corporation by Lessor. The Lease is for fifty-four Woodchip Railcars bearing Reporting Marks WVCX 4546 through WVCX 4599.

You will also find enclosed our check in the amount of ~~\$41.00~~ <sup>\$20.00</sup> to cover the cost of filing.

Please return a copy of the filed document to my attention at the following address:

National City Leasing Corporation  
101 So. Fifth St. Seventh Floor  
Louisville, KY 40202

Very Truly Yours,



Toni Scott  
Vice President

enc.:

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

## EQUIPMENT LEASE SCHEDULE

No. 00005

**This Equipment Lease Schedule** dated as of February 12, 1996, 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 \$3,824,604.00 ("**Lessors' Cost**").
4. **SECURITY DEPOSIT:** Not applicable.
5. **LEASE TERM:** The Lease Term with respect to the Equipment shall commence on February 12, 1996, (the "**Commencement Date**"), and shall terminate on February 12, 2016. 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 two hundred forty (240) monthly installments, each in the amount equal to .657301% of Lessor's Cost as set forth in Exhibit A hereto, commencing on February 12, 1996. 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.

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- (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

**NATIONAL CITY LEASING CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Lessee

**WESTVACO CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**to Equipment Lease Schedule No. 00005**  
**dated as of February 12, 1996**  
**between**  
**NATIONAL CITY LEASING CORPORATION, as Lessor**  
**and**  
**WESTVACO CORPORATION, as Lessee**

**Equipment Description:**

Fifty-four (54) - new 100 ton wood chip railcars manufactured by Freight Car Services

**Reporting Mark:**

WCX

**Numbers:**

4546 through 4599

**Lessor's Cost**

\$3,824,604.00

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**EXHIBIT B**  
**to Equipment Lease Schedule No. 00005**  
**dated as of February 12, 1996**  
**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.

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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 U.S.C. §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)

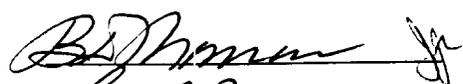
Lessor

**NATIONAL CITY LEASING CORPORATION**

By:   
Title: \_\_\_\_\_

Lessee

**WESTVACO CORPORATION**

By:   
Title: Sr. V.P.

**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:**

Fifty-four (54) - new 100 ton wood chip railcars manufactured by Freight Car Services

**Reporting Marks:**

WVCX

**Numbers:**

4546 through 4599

**Acceptance Date:**

February 12, 1996

**AUTHORIZED REPRESENTATIVE**

**WESTVACO CORPORATION**

By: *B. D. Johnson Jr.*

Title: *Sr. V.P.*

Date: *Feb 14, 1996*

**COPY**

## ANNEX II

### Termination Schedule

02/12/01 -- 95.09934836%  
02/12/02 -- 92.27940442%  
02/12/03 -- 89.06291226%  
02/12/04 -- 85.49354682%  
02/12/05 -- 81.68004974%  
02/12/06 -- 77.67222088%  
02/12/07 -- 73.45975183%  
02/12/08 -- 69.03178735%  
02/12/09 -- 64.37689640%  
02/12/10 -- 59.48304157%  
02/12/11 -- 54.33754691%  
02/12/12 -- 48.92706408%  
02/12/13 -- 43.50000000%  
02/12/14 -- 37.25416264%  
02/12/15 -- 30.96135477%

COPY

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Lessor

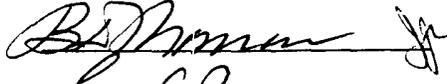
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By: 

Title: \_\_\_\_\_

Lessee

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By: 

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AUTHORIZED REPRESENTATIVE

WESTVACO CORPORATION

By: *B. J. Johnson Jr.*

Title: *Gen. Mgr.*

Date: *Feb 14, 1996*

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