

RECORDATION NO. 18079/C
FILED 1423

DEC 31 1992 - 11 05 AM

INTERSTATE COMMERCE COMMISSION

LEASE SUPPLEMENT (Ballast Railcars)

Dated as of December 31, 1992

between

Wilmington Trust Company,
Lessor

and

Southrail Corporation,
Lessee

Filed with the Interstate Commerce Commission pursuant to
49 U.S.C. § 11303 on December 31, 1992, at __:__.M.
Recordation Number ____.

LEASE SUPPLEMENT (Ballast Railcars)

LEASE SUPPLEMENT (Ballast Railcars) dated December 31, 1992 (this Lease Supplement") between WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee ("Lessor") under the Trust Agreement, and SOUTHRAIL CORPORATION, a Delaware corporation ("Lessee");

W I T N E S S E T H :

WHEREAS, Lessor and Lessee have heretofore entered into that certain Equipment Lease Agreement dated as of December 31, 1992 (the "Lease"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in Appendix A to the Lease;

WHEREAS, the Lease provides that on the Closing Date, Seller shall deliver to Lessor a Bill of Sale dated such date by which Seller bargains, conveys, assigns, sets over, sells and delivers to Lessor, and Lessor purchases and accepts from the Seller, the Units to be conveyed on such Closing Date, and said Bill of Sale has been delivered by Seller and accepted by Lessor on such Closing Date;

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for the purpose of confirming the acceptance and lease of the Units under the Lease as and when delivered by Lessor to Lessee in accordance with the terms thereof;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Lessor and Lessee hereby agree as follows:

1. Lessee hereby acknowledges and confirms that it has inspected and approved the Units set forth on Schedule 1 hereto at the time and on the dates set forth in the applicable Certificate(s) of Acceptance and such Units comply in all material respects with the specifications for such Units and are in good working order.

2. Lessor hereby confirms delivery and lease to Lessee, and Lessee hereby confirms acceptance and lease from Lessor, under the Lease as hereby supplemented, of the Units listed on Schedule 1 hereto.

3. Lessee hereby represents and warrants that no Event of Loss has occurred with respect to the Units set forth on Schedule 1 hereto as of the date hereof.

4. The Closing Date of the sale of the Units described above is the date of this Lease Supplement set forth in the opening paragraph hereof.

5. The aggregate Equipment Cost of the Units leased hereunder is \$1,620,150.00 and the amounts comprising such Equipment Cost are set forth on Schedule 1 hereto. The Stipulated Loss Values applicable in respect of the Units are calculable in accordance with the terms of the Lease.

6. Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease Supplement, to pay Rent to Lessor for each Unit leased hereunder as provided for in the Lease.

7. The execution and delivery of this Lease Supplement will in no way relieve or decrease the responsibility of any manufacturer for the warranties it has made with respect to any Unit.

8. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease Agreement (Ballast Railcars) dated as of December 31, 1992, the "Lease Agreement (Ballast Railcars) dated as of December 31, 1992" or the "Lease (Ballast Railcars) dated as of December 31, 1992," or may identify the Lease in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement, unless the context shall otherwise require.

9. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease shall be and remain in full force and effect.

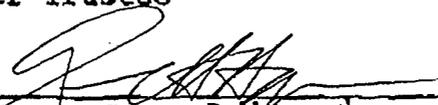
10. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original and in each case such counterparts shall constitute but one in the same instrument; provided, however, that to the extent that this Lease Supplement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect from time to time in New York State) no security interest in this Lease Supplement may be created through the transfer or possession of any counterpart hereof other than the counterpart bearing the receipt therefor executed by the Secured Party on the signature page hereof, which counterpart shall constitute the only "original" hereof for purposes of such Uniform Commercial Code.

11. This Lease Supplement is being delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered on the day and year first above written.

LESSOR:

Wilmington Trust Company,
not in its individual capacity, but solely as
Owner Trustee

By: 

Name: Emmett R. Harmon
Title: VICE PRESIDENT

LESSEE:

Southrail Corporation

By: _____

Name:
Title:

Corporate Form of Acknowledgement
Pursuant to 49 CFR §1177.3

State of Delaware)
County of New Castle) ss:

On this 29 day of December, 1992 before me personally appeared Emmett R. Harmon, to me personally known, who being by me duly sworn, say that (s)he is the VICE PRESIDENT of _____, 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

Sonja F. Allen
Signature of Notary Public
My Commission expires _____

SONJA F. ALLEN
NOTARY PUBLIC
My Commission expires May 30, 1994

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered on the day and year first above written.

LESSOR:

Wilmington Trust Company,
not in its individual capacity, but solely as
Owner Trustee

By: _____
Name:
Title:

LESSEE: _____

Southrail Corporation

By: John A. Scott
Name: JOHN A SCOTT
Title: VICE PRESIDENT

Corporate Form of Acknowledgement
Pursuant to 49 CFR §1177.3

State of Mississippi)
County of Ninety) ss:

On this 29th day of December, 1992 before me personally appeared John A. Scott, to me personally known, who being by me duly sworn, say that (s)he is the Vice President of South Rail 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

Jean W. Smathers
Signature of Notary Public

My Commission expires 1-14-95

SCHEDULE 1

LEASE SUPPLEMENT (BALLAST RAILCARS)

Equipment:	Ballast Railcars
Number of Cars:	70
Equipment Cost:	\$1,620,150.00
Cost per Car:	\$23,145.00
Number of Rent Payments:	132
Total Monthly Payment:	\$17,781.40
Monthly Payment per Car:	\$254.02
Early Buyout Price:	\$10,050.00 per Unit
Early Buyout Price:	December 31, 2001
Railcar Numbers:	SR 50001-500070 (inclusive)