



PLM INTERNATIONAL, INC.

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San Francisco, CA 94105-1301

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August 2, 1991

WASHINGTON DC FILED 1991

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INTERSTATE COMMERCE COMMISSION

VIA FEDERAL EXPRESS

Interstate Commerce Commission
12th and Constitution Avenue, N.W. WASHINGTON DC FILED 1991
Washington, D.C.
ATTN: Mildred Lee, Room 2303 AUG 5 1991 10 52 AM

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WASHINGTON DC FILED 1991

AUG 5 1991 10 52 AM

INTERSTATE COMMERCE COMMISSION

RE: Forty-five Gondola Railcars

Dear Ms. Lee:

Please find enclosed for filing the original and one copy of the following documents:

1. Bill of Sale dated as of June 28, 1991;
2. Amended and Restated Railcar Lease Agreement dated as of January 1, 1991; and,
3. Assignment Agreement dated as of June 28, 1991;

I have also enclosed three additional copies of the documents which I would like stamped and returned in the enclosed envelope.

Finally, I have enclosed a check in the amount of \$45.00, which I believe is the filing fee.

Thank you for your assistance. Should you require any further information, please call me at (415) 905-7440, or Anne Shuford at (415) 905-7223.

Sincerely,

Charles S. Wassell
Assistant General Counsel

CSW:alg
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REGISTRATION NO. FILED 1991

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INTERSTATE COMMERCE COMMISSION

AMENDED AND RESTATED
RAILCAR LEASE AGREEMENT

Agreement, dated as of January 1, 1991 by and between First Security Bank of Idaho, N.A., as successor trustee to First Security State Bank, trustee (hereinafter called "Lessor") and SouthRail, a subsidiary of MidSouth Corporation, a Delaware corporation (hereinafter called "Lessee").

1. Scope of Agreement

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, forty-five (45) gondolas built by Bethlehem Steel in 1980 more fully described in Exhibit A attached hereto (hereinafter called collectively the "Cars" and individually a "Car").

2. Term

This Agreement shall remain in full force from June 1, 1990, until it shall have been terminated as to all the Cars as provided herein. The term of the lease with respect to all of the Cars shall commence on the date hereof and terminate on December 31, 1995.

3. Acceptance of Cars

Lessee is in possession of the Cars and has accepted the Cars with reporting marks on each as set forth in the Schedule of Equipment attached hereto as Exhibit B.

4. Railroad Markings and Record Keeping

A. The Lessee will cause each Car to be kept numbered with the identifying number as set forth in Exhibit A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of such Car 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 the 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 the Lessor under this Agreement. The Lessee will not place any such Car 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. The Lessee will not permit the identifying number of any Car 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 with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Agreement will have been filed, recorded and deposited.

B. Lessee shall, within 30 days of execution at its expense, prepare and file, with respect to the Cars all documents relating to the registration, maintenance and record keeping functions normally performed by a railroad with respect to railroad equipment of the type subject to this Agreement. Such matters shall include, but are not limited to: (i) preparation of appropriate AAR interchange agreements with respect to the Cars; (ii) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"); and (iii) preparation of any reports as may be required from time to time by the ICC and any other regulatory agencies with respect to the Cars. Lessee shall register each Car in UMLER in such a manner that Lessor is allowed access to any required information with regard to each Car.

5. Maintenance, Taxes and Insurance

A. Lessee shall at all times during the term of this Agreement at its own cost and expense, cause each of the Cars to be maintained, serviced and repaired so as to keep it in as good operating condition, working order, and repair, ordinary wear and tear excepted, including, without limitation:

(1) repairs required as a result of damage caused by the Lessee, its agents, representatives, customers or independent contractors or any third party; or

(2) repairs required because of damage caused to the Cars by any corrosive or abrasive substance loaded therein or used in connection therewith; or

(3) repairs required because of excessive or unusual damage caused to the Cars by open flames, vibrators, sledges, clamshell, buckets or other similar devices during loading or unloading operations; or

(4) repairs required because of excessive or unbalanced loading; or

(5) repairs required because of damage to safety appliances.

B. The Lessee agrees, for the benefit of the Lessor, to comply in all respects with all laws of the jurisdictions in which operations involving any Car subject to this Agreement may extend, with the Interchange Rules of the Association of American Railroads and with all rules of the Interstate Commerce Commission and any other legislative, executive, administrative

or judicial body exercising any power or jurisdiction over any such Car, to the extent such laws and rules affect the operations or use of such Car; and in the event such laws or rules require the alteration or repair of any such Car, the Lessee will conform therewith, and will maintain the same in proper condition or operation under such laws and rules; provided, however, that the Lessee may, in good faith contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Lessor, adversely affect the property rights of the Lessor hereunder.

C. So long as no event of default has occurred, Lessor hereby assigns to Lessee for the term of this Agreement the benefit to which Lessor is entitled of all warranties and indemnities of the manufacturer, reconditioner, repairer or maintainer of the Cars. Otherwise, except for the aforesaid, Lessor leases the Cars AS-IS, AND LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE CARS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF WORKMANSHIP IN THE CARS ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY MANUFACTURER'S DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY CARS.

D. Neither party to this Agreement will alter materially the physical structure or allow any third party to alter materially the physical structure of any of the Cars without the other party's written consent.

E. Any and all additions to any Car and any replacements thereto and of parts thereof made by the Lessee shall constitute accessions to such Car and, without cost or expense to the Lessor, title shall be immediately vested in the Lessor free and clear of encumbrances except for claims against Lessor. The accessions shall be free and clear of all claims, liens, encumbrances, security interests and rights of third parties of any nature whatsoever as arising by or through Lessee.

F. Lessee will cause to be carried and maintained, at its sole expense, with respect to the Cars at all times during the term thereof and until the Cars have been returned to Lessor (a) physical damage insurance insuring against all risks of physical loss or damage to the Cars, in minimum amount equal to the settlement value (as defined in Section 6 C. hereof), and (b) insurance against liability for bodily injury, death and property damage resulting from the use and operation of the equipment in an amount not less than \$10,000,000.00 per occurrence. Such

insurance policy or policies will name Lessor, as the sole loss payee, on all policies referred to in clause (a) of the preceding sentence, and will name Lessor and The Provident Bank, as beneficiary, as additional insureds on all policies referred to in clause (b) of the preceding sentence. Such policies will provide that the same may not be invalidated against Lessor by reason of any violation of a condition or breach of warranty of the policies or the application therefor by Lessee, that the policies may be canceled or materially altered or reduced in coverage (except as otherwise permitted under the terms of this Agreement) by the insurer only after thirty (30) days' prior written notice to Lessor and that the insurer will give written notice to Lessor in the event of nonpayment of premium by Lessee when due. The policies of insurance required under this Section shall be valid and enforceable policies issued by insurers of recognized responsibility acceptable to Lessor and authorized to conduct or engage in insurance business in the state in which each Car is located. No such policies referred to in clause (b) of the first sentence of this Section shall now or hereafter provide coverage on a "claims-made" basis. Upon the execution of this Agreement and thereafter not less than thirty (30) days prior to the expiration dates of any expiring policies theretofore furnished under this Section, certificates of the insurance coverage required by this Section and, if requested by Lessor, copies of the policies evidencing such insurance coverage, shall be delivered by Lessee to Lessor. Any certificate of insurance issued with respect to a blanket policy covering other equipment not subject to this Agreement shall specifically describe the Cars as being included therein and covered thereby to the full extent of the coverages and amounts required hereunder. If Lessee shall fail to cause the insurance required under this Section to be carried and maintained, Lessor may provide such insurance and Lessee shall reimburse Lessor, as the case may be, upon demand for the cost thereof as a supplemental payment hereunder. It is mutually agreed that Lessee may self-insure against such risks as are required to be insured against under (a) hereunder pursuant to a formal plan of self-insurance, and Lessee shall certify that such self-insurance is being maintained in accordance therewith and the details of same. Should Lessee discontinue such self insurance plan, Lessee agrees to immediately notify Lessor and Lessor of such fact and to promptly procure the coverage outlined above.

G. Lessee agrees to pay, and indemnify and hold Lessor, and their respective successors and assigns harmless on an after-tax basis from any and all Federal, state, local and foreign taxes, fees, withholdings, levies, imposts, duties, assessments and charges of any kind and nature whatsoever, together with any penalties, fines or interest thereon (herein called "taxes or other impositions") howsoever imposed, whether levied or imposed upon or asserted against Lessor, Lessee, the Cars or any part thereof, by any Federal, state or local

government or taxing authority in the United States, or by any taxing authority or governmental subdivision of a foreign country, upon or with respect to (a) the Cars or any part thereof, (b) the manufacture, construction, ordering, purchase, ownership, delivery, leasing, re-leasing, possession, use, maintenance, registration, re-registration, titling, re-titling, licensing, documentation, return, sale or other application or disposition of the Cars or any part thereof, (c) the rentals, receipts or earnings arising from the Cars or any part thereof, or (d) this Agreement, the rent and/or supplemental payments payable by Lessee hereunder. Lessee will promptly notify Lessor of all reports or returns required to be made with respect to any tax or other imposition with respect to which Lessee is required to indemnify hereunder, and will promptly provide Lessor with all information necessary for the making and timely filing of such reports or returns by Lessor. If Lessor requires that any such reports or returns be prepared and filed by Lessee, Lessee will prepare and file the same if permitted by applicable law to file the same, and if not so permitted, Lessee shall prepare such reports or returns for signature by Lessor, as the case maybe, and shall forward the same, together with immediately available funds for payment of any tax or other imposition due, to Lessor, as the case may be, at least ten (10) days in advance of the date such payment is to be made. Upon written request, Lessee shall furnish Lessor, as the case may be, with copies of all paid receipts or other appropriate evidence of payment for all taxes or other impositions paid by lessee pursuant to this Subsection J. All of the indemnities contained in this Subsection J shall continue in full force and effect notwithstanding the expiration or earlier termination of this Agreement in whole or in part, including the expiration or termination of the term with respect to any Car, and are expressly made for the benefit of, and shall be enforceable by Lessor.

6. Lease Rental

A. Car Hire Earnings. Upon acceptance of the Cars as set forth in Section 3 hereof, with reporting marks on each Car set forth in Section 4 and Exhibit A hereto, Lessee shall enjoy all car hire earnings (per diem and mileage) thereafter until the expiration or sooner termination of this Agreement. Lessor shall not be responsible for collection of any car hire earnings and such responsibility shall lie solely with Lessee.

B. Rentals. Lessee Shall pay to Lessor as rental for the Cars an amount of Four Hundred Dollars (\$400.00) per Car per month ("**Rent**"). Rent shall become effective, with regard to each of the Cars on June 1, 1990, and shall continue in effect, with regard to each of the Cars, until returned to Lessor at the end of the Term of this Agreement, as hereafter provided in Section 9. Payment of Rent shall be made on the first day of

each month in advance. Payment of Rent shall be made to The Provident Bank at the address specified in Section 13G.

In the event the Lessee shall be in default in the payment of any sum of money to be paid under this Agreement, whether rental or otherwise, the Lessee shall pay the Lessor, as additional rental, to the extent permitted by applicable law, interest on such unpaid sum from its due date to date of payment by the Lessee at a rate equal to 18% per annum or the maximum rate permitted by law whichever is less. Any costs incurred by Lessor in collecting Rent or any other sum of money due under this Agreement wrongfully withheld by Lessee, including, but not limited to, reasonable attorney's fees, will be paid by Lessee.

This Agreement is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due to, or by reason of, any past, present or future claims of the Lessee against the Lessor under this Agreement or otherwise; nor shall this Agreement terminate, or the respective obligations of the Lessor or Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use of or destruction of all or any of the Cars from whatsoever cause, the prohibition of or other restriction against Lessee's use of all or any of the Cars, the interference with such use by any private person or entity or any government authority, the invalidity or unenforceability or lack of due authorization of this Agreement, or for any other cause whether similar or dissimilar to the foregoing, and present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other payments payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever. The rentals and other sums payable by the Lessee hereunder shall be paid without notice, demand, counterclaim, or defense by reason of any circumstance or occurrence whatsoever, except as otherwise provided herein.

C. Casualty Occurrence. In the event that any Car shall be or become worn out, lost, stolen, destroyed or irreparably damaged or obsolete or economically unserviceable from any cause whatsoever, or any Car shall be condemned, confiscated, or seized, or the title to or use of any Car shall be requisitioned for a period of ninety (90) continuous days (such occurrences being hereinafter called "Casualty

Occurrences") during the term of this Agreement, the Lessee shall on the next succeeding rental payment date, and in no case later than 30 days after the expiration or other termination of this Agreement, after it shall have determined that such Car has suffered a Casualty Occurrence, fully inform the Lessor in regard thereto. On such date the Lessee shall pay to the Lessor an amount equal to any accrued rental for such Car to the date of such payment. Lessee shall also pay Lessor a settlement value payment pursuant to Rule 107 of the Field Manual of the AAR Interchange Rules and Car Hire Agreement Code. Upon the making of such payment by the Lessee in respect of a Car, the rental for such Car shall cease to accrue as of the date of such payment, the term of this Agreement as to such Car shall terminate and (except in the case of the loss, theft or complete destruction of such Car) the Lessee shall be entitled to ownership and possession of such Car or the remains thereof. Lessor has the right, in its sole discretion, to replace any and all Cars subject to a Casualty Occurrence and such replacement Cars will be subject to this Agreement as if originally a part thereof.

Except as hereinabove in this Section 6 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Car after delivery to and acceptance thereof by the Lessee hereunder.

7. Possession and Use

A. Conditioned upon the Lessee performing all of the terms, covenants and conditions of this Agreement, Lessor shall not interfere with Lessee's possession, use and quiet enjoyment of the Cars during the term of this Agreement, provided no event of default has occurred and is continuing. Lessee shall use the Cars in the manner and to the extent Cars are customarily used in the railroad freight business, as set forth in Subsection 7(C). However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Lessor in connection with the acquisition of Cars; i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that all rental payments shall be made directly to such party and/or that the Cars be returned to such party, whereupon this Agreement shall terminate upon payment of all amounts due from Lessee hereunder.

B. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate

or supervise the use of such property (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission, and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads, as the same may be in effect from time to time) except that either Lessor or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

C. The use of the Cars shall be limited to use by a rail common carrier and the Cars shall always bear the reporting marks of Lessee or its affiliates or subsidiaries. The reporting marks on the Cars shall not be changed without Lessor's prior written consent. During the term of this Agreement, the Cars shall at all times be registered in the Official Railway Equipment Register and UMLER.

D. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement or any Equipment Schedule thereto. Lessee will promptly, at it's expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

8. Default

A. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any rental or other sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due;

(ii) The breach by Lessee of any other term, covenant or condition of this Agreement, which is not cured within ten (10) days;

(iii) The insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors;

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is consented to by Lessee or is not dismissed within thirty (30) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or

withdrawn or ceases to be in effect within thirty (30) days from the date of said filing or appointment;

(v) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state, if such action might unfavorably affect the payments earned by the Cars;

(vi) Any representation or warranty made by Lessee herein or in any document, certificate or financial or other statement now or hereafter furnished Lessor in connection with this Agreement shall prove at any time to have been untrue or misleading in any material respect as of the time when made;

(vii) Lessee shall (A) default in the payment of any obligation for borrowed money in excess of \$1,000,000, under any lease or for the deferred purchase price of property, including interest thereon, beyond the period of grace, if any, provided with respect thereto, or (B) default in the performance or observance of any other term, condition, or agreement contained in any such obligation or in any agreement relating thereto, if the effect of such default is to cause such obligation to become due prior to its stated maturity or to realize upon any collateral given as security therefor.

B. Upon the occurrence of any event of default, Lessor at its option, may:

(i) Proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Agreement (and Lessee agrees to bear Lessor's costs and expenses, including reasonable attorneys' fees, in securing such enforcement) or to recover damages for the breach thereof; and/or

(ii) By notice in writing to Lessee, terminate this Agreement, whereupon all rights of Lessee hereunder to lease the Cars shall absolutely cease and terminate as though this had never been made, but Lessee shall remain liable as hereinafter provided; and/or

(iii) By its agents enter upon the premises of Lessee or other premises where any of the Cars may be and take possession of all or any of such Cars and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its successors or assigns, to use the Cars for any purposes whatever; but Lessor shall nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Agreement may be then due or which may have accrued to the date or subsequent to the date of such termination and also to recover forthwith from Lessee; (A) any damages and expenses, including

reasonable attorneys' fees, in addition thereto which Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Agreement, and (B) all costs and expenses incurred in searching for, taking, removing, keeping and storing such Cars, and (C) all additional amounts owing by Lessee hereunder, whether as Rent or otherwise.

The remedies in this Agreement provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. Lessee hereby waives any and all existing or future claims to any offset against the Rent or any other payments due Lessor hereunder and agrees to pay such Rent and all other payments as directed regardless of any offset or claim which may be asserted by Lessee or on its behalf.

The failure of Lessor to exercise the right granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

9. Termination

A. Upon the expiration or early termination of this Agreement (whether at the end of the initial term or any extended term) with respect to any Car, Lessee shall promptly deliver such Car to Lessor in good order and repair, including clean and free of debris and foreign material, and in the same condition as when delivered hereunder, ordinary wear and tear excepted, 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, and at such location as Lessor may designate, as follows:

(i) If some or all of the Cars, are to be delivered to Lessor at a location or locations on Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to Lessee's railroad tracks subsequent to the date of expiration. Lessee shall, at Lessor's option, provide, with respect, to any Car which is either on Lessee's railroad tracks on the date of expiration or is subsequently returned to Lessee's railroad tracks, up to sixty (60) days free storage on its railroad tracks from either the date of expiration or the date the last Car is returned to Lessee's railroad line subsequent to the time of expiration, whichever date is later.

(ii) Lessee shall remark the Cars as set forth in Subsection 9(B) of this Agreement. Lessee shall bear the costs associated with such remark. Lessee shall not remove Lessee's railroad marks from any Car without complying with all legal requirements applicable thereto. After remarking, Lessee shall, at Lessor's option, load the Cars with freight on Lessee's lines and deliver them to a connecting carrier for shipment.

(iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location once off the lines of Lessee shall be borne by Lessor. (Lessee shall bear the expense of remarking such Cars.)

B. Remarking, with respect to each Car, shall include the following: (i) removal of existing railroad initials and numbers, mandatory markings and all company logos of Lessee; (ii) complete cleaning of the area where new marks are to be placed subsequent to the removal of markings and company logos as designated by Lessor; (iii) application of new mandatory markings designated by Lessor; and (iv) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.

10. Indemnities

Lessee will defend, indemnify and hold Lessor harmless from and against (1) any and all loss or damage of or to the Cars, usual wear and tear excepted, unless occurring while Lessor has physical possession and control of Cars and (2) any claim, cause of action, damage, liability, cost or expense which may be asserted against Lessee or Lessor with respect to the Cars (unless such loss or physical damage occurs through delivery of the Cars by Lessor to Lessee's railroad line) and which arises out of the leasing, use, maintenance, repair, replacement, operation, condition or return of the Cars (whether in connection with defects, if any, that are latent or are discoverable by Lessor or Lessee).

11. Representation, Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power and authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to perform its obligations under this Agreement.

(ii) This Agreement has been duly, authorized, executed and delivered by the Lessee and constitutes Lessee's legal, valid and binding obligation, enforceable in accordance with its terms except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iv) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(v) The financial statement of the Lessee heretofore delivered to the Lessor, has been prepared in accordance with generally accepted accounting principles and fairly presents the financial position of the Lessee on and as of the date thereof, and the results of its operations for the period or periods covered thereby; since the date of such financial statement, there has not been any material adverse change in the financial condition or results of operations of the Lessee, except as shall have been disclosed to the Lessor in writing;

(vi) There is no fact which Lessee has not disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

12. Inspection

Lessor shall at any time during normal business hours have the right to enter the premises where the Cars may be located, for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify Lessor of any accident connected with the Cars. Lessee shall also notify Lessor in writing within five

(5) days after any attachment, tax lien or other judicial process which shall attach to any Car. Lessee shall furnish to Lessor promptly upon its becoming available, a copy of its annual report or copies of any other income and balance sheet statements required to be submitted to the ICC and/or state agencies and such additional financial information as Lessor may reasonably request concerning Lessee.

13. Miscellaneous

A. This Agreement and any Schedule of Equipment contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of Lessor assign this Agreement or any of its rights hereunder or sublease the Cars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Lessor in connection, with the acquisition of the Cars in order to confirm the financing party's interest in and to the Cars, this Agreement, hereto and to confirm the subordination provisions contained in Section 7.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee only.

D. This Agreement shall be governed by and construed according to the laws of the State of Ohio.

E. Lessor shall have the right to examine the physical facilities of the Lessee, loading data, and other pertinent information which may affect the use and earning capacity of the Cars. After such examination Lessor may notify Lessee in writing of any dissatisfaction and this Agreement shall be null and void by virtue of such notice.

F. Lessor and Lessee agree that this Agreement, including any Equipment Schedules attached hereto and made a part hereof, shall be recorded with the Interstate Commerce Commission, at the expense of Lessee within 15 days of execution by the parties hereto.

G. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited

in the United States mail postage prepaid, certified or registered, addressed as set forth below.

If to Lessor: First Security Bank of Idaho, N.A.
Trust Division
P.O. Box 30007
Salt Lake City, Utah 84130
Attn: Corporate Trust Department

With a copy to: The Provident Bank
One East Fourth Street
Cincinnati, Ohio 45202
Attn: Forest C. Frank

If to Lessee: SouthRail,
a subsidiary of MidSouth Corporation
P.O. Box 1232
Jackson, MS 39215-1232
Attn: J. T. Graves
Director - Agency Operations

Either party hereto may change the address to which notice is to be mailed by written notice thereof to the other.

H. Reporting. The Lessee shall furnish to the Lessor within 90 days after the close of each fiscal year of the Lessee occurring after the date hereof (or if not then available, as soon as available, and in any event within 180 days after the close of such fiscal year), an audited balance sheet and statement of changes in the financial position of the Lessee at and as of the end of such fiscal year, together with an audited statement of income of the Lessee for such fiscal year;

I. Headings. Headings used herein are inserted for reference purposes only and shall not affect the interpretation or construction of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FIRST SECURITY
BANK OF IDAHO, N.A.,
not in its individual capacity
but solely as Trustee

By: Nancy M. Dell
Title: Trust Officer
Date: 2/21/91

SOUTHRAIL,
a subsidiary of MidSouth
Corporation

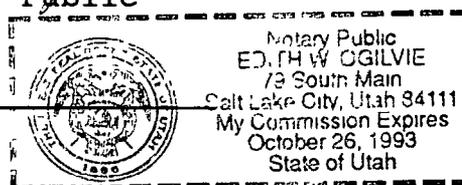
By: H. J. Sahn
Title: VP & CO
Date: 2/8/91

STATE OF Utah)
COUNTY OF Salt Lake) S

On this 21 day of February, 1990, before me personally appeared Nancy M. Dahl, to me personally known, who, being by me duly sworn, says that she is Trust Officer of **FIRST SECURITY BANK OF IDAHO, N.A.**, that said instrument was signed and sealed on behalf of said corporation by authority of its President and Directors and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Erdith W. Ogilvie
Notary Public

My Commission Expires: _____



[Notarial Seal]

STATE OF Mississippi)
COUNTY OF Hinds) S

On this 8th day of February, 1990, before me personally appeared H. I. Salmon, to me personally known, who, being by me duly sworn, says that he is VP & CTO of **SOUTHRAIL**, a subsidiary of Midsouth Corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its President and Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Donna R. May
Notary Public

My Commission Expires: My Commission Expires May 9, 1992

[Notarial Seal]

EXHIBIT A

<u>Equipment Description</u>	<u># of Cars</u>	<u>Old Car #</u>
52'6" 100 ton gondolas	45	SR 15000 15003 15006 15007 15008 15011 15013 15021 15022 15023 15024 15028 15029 15030 15031 15033 15039 15040 15041 15043 15046 15056 15061 15062 15063 15064 15069 15073 15074 15078 15080 15082 15089 15090 15094 15096 15101 15111 15114 15128 15131 15134 15137 15146 15148

EXHIBIT B

SCHEDULE OF EQUIPMENT

The undersigned, a duly authorized representative of SouthRail (the "Lessee"), does hereby certify that he has caused to be inspected and, on the date set out below, has accepted on behalf of the 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 the certain Lease of Railroad Equipment dated as of April 10, 1990 between First Security Bank of Idaho, N.A. and Lessee.

<u>Equipment Description</u>	<u>Number of Cars</u>	<u>Car Number</u>	<u>Date Accepted</u>	<u>Car Number</u>	<u>Date Accepted</u>
52'6" 100 ton gondolas	45	SR 15000	5-25-90	SR 15062	4-4-90
		15003	4-4-90	15063	4-4-90
		15006	5-25-90	15064	4-4-90
		15007	4-4-90	15069	5-25-90
		15008	5-25-90	15073	4-4-90
		15011	5-25-90	15074	5-1-90
		15013	4-4-90	15078	4-4-90
		15021	5-25-90	15080	4-4-90
		15022	4-4-90	15082	5-25-90
		15023	5-25-90	15089	5-25-90
		15024	5-25-90	15090	5-25-90
		15028	5-25-90	15094	4-4-90
		15029	4-4-90	15096	5-25-90
		15030	4-4-90	15101	4-4-90
		15031	5-25-90	15111	5-25-90
		15033	5-25-90	15114	5-25-90
		15039	4-4-90	15128	5-25-90
		15040	4-4-90	15131	5-25-90
		15041	4-4-90	15134	4-4-90
		15043	4-4-90	15137	5-25-90
		15046	4-4-90	15146	4-4-90
		15056	4-4-90	15148	4-4-90
		15061	4-4-90		


 Authorized Representative