

**OSTER
Researching Services**

12897 Colonial Dr. • Mt. Airy, Md. 21771
Phone: 301-253-6040
Fax: 301-253-6040*

RECORDATION NO. 23662-A FILED

September 20, 2001

SEP 20 '01 10-29 AM
TS
SURFACE TRANSPORTATION BOARD

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a
Assignment and Assumption of Lease dated 8/4/01 between the
following parties:

Lessor:	Midwest Railcar Corporation #3 Professional Park Drive Maryville, IL 62062
Assignor:	Georgia-Pacific Corporation 133 Peachtree Street, N.W. Atlanta, GA 30348
Assignee/New Lessee:	Dontar Enterprises Inc. 395 de Maisonneuve Blvd. West Montreal, QC H3A1L6
Equipment:	40, Woodchip Railcars MWCX 100074-100113

Please record this agreement as a secondary document to STB
Recordation # 23662. The filing fee of \$28 is enclosed.

Summary: Assignment and Assumption of Lease dated 8/4/01 between
Midwest Railcar Corporation as Lessor, Georgia-Pacific Corporation
as Assignor, and Dontar Enterprises Inc. as Assignee/New Lessee
including 40 Woodchip Railcars marked MWCX 100074-100113.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosure



ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is dated as of August 7, 2001 among Georgia-Pacific Corporation, a Georgia corporation (the "Assignor"), Domtar Enterprises Inc., a Delaware corporation (the "Assignee"), and Midwest Railcar Corporation, an Illinois corporation (the "Lessor"), with reference to the following:

RECITALS

A. The Lessor, as Lessor, and the Assignor, as Lessee, executed a Lease dated July 26, 2001 (which, together with any addenda thereto and or any other modifications, amendments, addenda and supplements thereof, is hereinafter referred to collectively as the "Lease"), a copy of which is attached hereto and incorporated by reference as Exhibit A, pursuant to which the Lessor leased to the Assignor and the Assignor leased from the Lessor certain railcars, more particularly described in Exhibit C attached hereto (the "Railcars").

B. The Assignee is acquiring certain assets and assuming certain liabilities from the Assignor including the Assignor's rights, leasehold interest and obligations under the Lease.

C. In connection with such acquisition, the Assignor desires to assign the Lease to the Assignee, and the Assignee desires to accept the assignment of the Lease from the Assignor.

D. The Lessor has agreed to enter into this Assignment to, among other things, evidence its consent to such assignment of the Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Assignor, the Assignee and the Lessor hereby covenant and agree as follows:

1. Assignment. The Assignor grants, assigns and transfers to the Assignee, its successors and assigns, all of the Assignor's right, title and interest in, to and under the Lease and the Assignee accepts from the Assignor all of the Assignor's right, title and interest in, to and under the Lease (the "Assignment").

2. Assumption of Lease Obligation. The Assignee assumes and agrees to perform and fulfill all terms, covenants, conditions and obligations required to be performed and fulfilled by the Assignor under the Lease, including, without limitation, the obligation to make all payments due or payable on behalf of the Assignor under the Lease as they become due and payable.

3. Representations of Assignor and Lessor. The Assignor and the Lessor represent to the Assignee as follows:

RECORDATION NO. 23662-A FILED

BALT01 215253v3jC003977-000128 00 11 00

SEP 20 '01 10-29 AM

SURFACE TRANSPORTATION BOARD

- (a) The Lease attached hereto as Exhibit A is a true, correct and complete copy of the Lease (including all modifications, amendments and supplements thereof) and the same are the only agreements between Lessor and the Assignor with respect to the subject matter thereof.
- (b) The Lease is in full force and effect and, except for the modifications, amendments, addenda and supplements included in Exhibit A, the Lease has not been modified, amended or otherwise supplemented.
- (c) Except as set forth on Exhibit B, no default by the Assignor or the Lessor has occurred and is continuing under the Lease, and no event has occurred and is continuing which with the giving of notice or the lapse of time or both would constitute a default thereunder.
- (d) No Interim Rent or Base Rent or other amount due under the Lease has been paid in advance.
- (e) The monthly amount of Base Rent due under the Lease as of August ⁴ 2001 is _____ Car per month which shall begin the first day of the month following the month in which the last Car is delivered to and accepted by the Lessee. 
- (f) The daily amount of Interim Rent due under the Lease as of August ⁴ 2001 is _____ per day during the Interim Lease Term which shall commence beginning with the date of delivery to and acceptance by Lessee of the first Car and terminate on the first day of the Base Lease Term. 
- (g) The term of the Lease will commence on the date in which the first Car is delivered to and accepted by the Lessee and such term will expire on the _____ month from the commencement of the Base Lease Term, subject to the Renewal option per Section 2(b) of the Lease, or any termination rights as provided in the Lease.

4. Representations of Assignee The Assignee hereby represents to Assignor and Lessor as follows:

- (a) This Assignment does not create an Event of Default under the Lease.
- (b) Assignee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has taken all corporate action necessary validly to enter this Assignment and carry out its obligations under the Lease,

- (c) This Assignment has been duly executed on behalf of Assignee and constitutes the legal, valid and binding obligation of Assignee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity.
- (d) No governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part of Assignee in connection with this Assignment or any action contemplated on its part thereunder.
- (e) Assignee will execute all Acceptance Certificates of Railcars upon delivery of the Railcars from Lessor to Assignee

5. Lessor's Consent and Release. The Lessor hereby consents to the Assignor's assignment of the Lease to the Assignee and the Assignee's assumption of the Lease. On and from the date of execution of this Assignment forward, the Lessor hereby releases and relieves the Assignor from any and all liability and obligation under the Lease, and agrees to look solely to the Assignee for performance of the terms, covenants and conditions of Lessee under the Lease.

6. Successors and Assigns. This Assignment shall be binding on and inure to the benefit of the parties hereto, and their respective heirs, personal representatives, successors and assigns, provided that this Section 6 shall not be construed to permit any future assignments of the Lease or subletting of the Railcars except as permitted by the Lease.

7. Counterparts. This Assignment may be signed in counterparts, and as so executed, shall constitute a binding agreement.

8. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

9. Notice. Any notice required or permitted to be given pursuant to the Lease shall be properly given when sent by certified mail or overnight courier service with proper fees prepaid and addressed as follows:

(a) To Lessor:

Midwest Railcar Corporation
9876 213th Avenue, NW
Elk River, MN 55330
Attn: Richard Murphy
Phone – (763) 441-6412
Fax – (763) 441-6422

(b) To Assignee:

Domtar Inc.
395 de Maisonneuve Blvd. West
Montreal, QC
H3A 1L6
Attn: Paul Terry – Corporate Manager Transportation and Customs
Phone – (514) 848-5183
Fax – (514) 848-6700
E-Mail: paul.terry@domtar.com

10. Further Assurances. Assignee shall execute and deliver to Lessor, upon Lessor's request such instruments and assurances as Lessor deems necessary or advisable for the confirmation or perfection of this Assignment and Lessor's rights hereunder and to enable Lessor to fulfill all of its tax filing obligations, provided, however, that Assignee will have no obligation to execute or deliver any instrument or assurance which alters the rights or obligations of the parties under this Assignment.

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

WITNESS ATTEST:

ASSIGNOR:

Georgia-Pacific Corporation

meu

By: *Robert T. Pugh* (SEAL)

Name: **Robert T. Pugh**
Title: **Vice President**

ASSIGNEE: **Transportation & Logistics D**

Domtar Enterprises Inc.

By: *Hubert Pelletier* (SEAL)

Name: **HUBERT PELLETIER**
Title: **VICE-PRESIDENT PROCUREMENT & TRANSPORTATION**

WITNESS ATTEST:

LESSOR:

Midwest Railcar Corporation

David L. [Signature]

By: *[Signature]* (SEAL)

Name: Richard M. Murphy
Title: President

STATE OF Georgia, COUNTY OF Fulton, TO WIT:

On this the 21st day of August, 2011, before me, a notary public of said State, Georgia, the undersigned officer, personally appeared Amy R. Thomas who acknowledged her/himself to be a VICE PRESIDENT of Georgia-Pacific Corp. and that she/he, as such VICE PRESIDENT, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as a VICE PRESIDENT.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

AMY R. THOMAS
Notary Public, State of Georgia
Paulding County
Commission Expires March 23, 2004

Amy R. Thomas
Notary Public

My Commission Expires:

Florida
STATE OF Florida, COUNTY OF Montreal, TO WIT:

On this the 25th day of August, 2011, before me, a notary public of said State, Florida, the undersigned officer, personally appeared Hubert PELETIER who acknowledged her/himself to be a VICE-PRESIDENT OF TRANSPORTATION OF DEATH R. ENTERPRISES, INC. and that she/he, as such VICE-PRESIDENT, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as a VICE PRESIDENT.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Raymond R. ...
Notary Public

My Commission Expires:

Permanently

STATE OF Minnesota, COUNTY OF Sherburne, TO WIT:

On this the 14th day of August 2001, before me, a notary public of said State, Minnesota, the undersigned officer, personally appeared Richard M. Murphy, who acknowledged her/himself to be a President & CEO of M. West Park Corp., a Illinois Corporation, and that she/he, as such President & CEO, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as a President & CEO.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robin G. Carlisle
Notary Public

My Commission Expires: 1-31-05

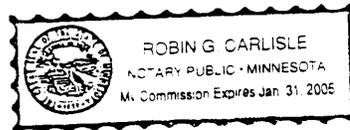


Exhibit A

THE LEASE

RAIL CAR LEASE

This LEASE AGREEMENT (the "Lease") made this 26th day of July 2001, by and between Midwest Railcar Corporation ("Lessor") 9876 213th Avenue NW, Elk River, MN 55330, and Georgia-Pacific Corporation ("Lessee"), 133 Peachtree St., N.E., Building Products Group - 15th Floor, Atlanta, GA 30348.

NOW, THEREFORE, in consideration of their mutual interests, obligations and promises, the parties hereby agree as follows:

(1) **Quantity of Cars and General Specifications.** Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, Forty (40) 6000 C.F. Woodchip Gondolas.

(2) **Rent; Rental Payment Terms.**

(a) Base Rent for each Car leased hereunder shall be _____ per Car per month. The Interim Rent for each Car leased hereunder shall be the daily equivalent amount _____ days of the Base Rent. (b) Renewal option: if the Lessee does not provide such written notice within _____ of the end of the Base Lease Term or any renewal Term the Lease shall automatically renew for _____ rate. This renewal option is available to Lessee for _____ Terms.

(b) The Base Lease Term shall be for _____ beginning with the first day of the month following the month in which the 40th Car has been delivered to and accepted by the Lessee but no later than four (4) months from the date of this Lease. The Base Rent is due and payable by the Lessee on the first day of every month during the Base Lease Term. The Interim Lease Term shall begin with the date of delivery to and acceptance by the Lessee of the first Car through and including the last day of the month in which the 40th Car is delivered to and accepted by the Lessee. Interim Rent is due and payable by the Lessee on the first day of each month during the Interim Term. Interim Rent is due and payable for each Car once such Car has been delivered to and accepted by the Lessee.

(c) Payments shall be sent to Lessor at the address set forth in Section (25). Any payments due by Lessee, whether Base Rent, Interim Rent or any other amount due and payable hereunder shall not be subject to any defense, setoff, or counterclaim that Lessee shall or may have against Lessor. Failure by Lessee to pay to Lessor the Base Rent, Interim Rent or any other amount due and payable hereunder shall accrue interest at _____ (the unpaid balance(s) until the delinquency (ies) shall have been satisfied.

(3) **Delivery and Redelivery.**

(a) As provided in Section (2)(a) hereof, the term of this Lease shall commence on the date(s) of delivery of each Car to Lessee's designated rail interchange or other rail point, subject to Lessee's acceptance of each Car as provided in Section (8). The term of this Lease shall continue until each Car's date of redelivery by Lessee to Lessor's designated rail interchange or point, subject to Section (3)(b) hereof and further subject to Lessor's acceptance of each Car as provided in Section (8).

(b) It shall be (i) Lessor's sole cost and expense to deliver the Car(s) to the closest junction point of the Burlington Northern and Wisconsin Central Railroad, all additional costs on the Wisconsin Central Railroad shall be for the account of Lessee. At Lease expiration, Lessee will be responsible for all redelivery costs to Lessor's location.

(c) The Cars shall be used only in domestic service within the United States or in international service between the United States, Canada and Mexico. Lessee shall remain responsible for redelivery, rent, and any increased rent, for any Car(s) that shall be in Mexico on and after the date of termination hereof, including any extended termination date. Lessee shall not disclaim any of its duties and obligations hereunder for such Car(s) in Mexico for any reason whatsoever.

(4) **Excess Operational Mileage.** If any Car(s) shall operate more than thirty thousand (30,000) miles, empty and loaded, annually, *pro rata*, Lessee shall pay to Lessor _____ a mile for excess annual mileage in addition to rent and other charges hereunder, which charges shall be promptly paid by Lessee after receipt of Lessor's invoice.

(5) Lessee's Indemnities.

(a) Lessee agrees to defend, indemnify and hold harmless Lessor from all claims, losses, damages, liabilities, costs and expenses (including actual attorney's fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted against Lessor arising out of Lessee's, its consignee's or sublessee's use, lease, possession, operation, loading, storage, transportation, or movements of the Cars or the contents of such Cars. For all purposes hereof, Lessee's indemnities and hold harmless agreements shall include without limitation all Damages that shall arise from or shall be a result of any claim for personal injury, and/or death, and/or property damage, and/or damage to any Car(s) except for Damages solely caused by Lessor or through Lessor's gross or willful misconduct.

(b) Lessee shall indemnify and hold Lessor harmless from and against any loss or liability (-ies), claim(s), damage(s), expense(s) (collectively, "Claims"), including without limitations the reasonable costs of investigating and defending against any Claims for damages, restraining order(s), fine(s), or penalty (-ies) imposed upon, incurred by or asserted against Lessor that is based on or asserted in connection with any present or future law, rule, or regulation that shall govern, without limitation, any domestic or foreign environmental, occupational safety and health, water pollution or quality, clean air, and/or toxic substance control statute(s) and the common law applicable thereto which arises out of Lessee's use, lease possession, operation, loading, storage, transportation, or movements of the Cars or the contents of such Cars. Claims shall also include without limitation the release, removal, accumulation, or disposition, whether intentional or unintentional, of any hazardous substance, as defined by present or future law or regulation, from or in a Car during the term of this Lease.

(c) The indemnity and hold-harmless agreement in subsection (a) shall also include any Damages caused by or arising from the loading of any Car to a gross product weight that shall exceed the stenciled load limit of any Car.

(d) The indemnities contained in this Lease shall survive the expiration, cancellation or termination of this Lease.

(6) Use of Cars; Cleaning.

(a) The Cars shall not be loaded with any commodity that shall injure a Car's structure or mechanical utility for continued use in interchange service under The Interchange Rules of the Association of American Railroads and its Office Manual thereto (collectively, the "Rules" or "AAR Rules").

(b) On delivery hereunder, each Car shall be ready for the loading of forest products and on redelivery hereunder, each Car shall be swept clean of all debris and shall be clean of all residue. If any Car shall not be ready for loading following delivery or redelivery as provided in this subparagraph and if any Car shall require more extensive cleaning than sweeping or washing to be suitable for such loadings, the reasonable costs for more extensive cleaning shall be fully borne and promptly paid by Lessor or Lessee, as the case shall be. If any Car(s) shall require more than sweeping or washing, the party to be charged hereunder shall be promptly notified by the other party by phone or facsimile message ("Fax") to be confirmed promptly in writing, before any action shall be taken or costs incurred under this section. Rent shall not commence or cease, as the case shall be, until any Car(s) shall be made fit for loading after delivery or redelivery.

(c) The Cars are suitable to transport and shall only transport or store the following commodities: Forest Products - woodchips

(7) Car Markings; Title; Subordination.

(a) Lessee acknowledges that the Cars are subject to covenants in Lessor's financing instruments and to provisions of Lessor's lease(s) and sublease(s) with the Car's legal or beneficial owner(s). This Lease and Lessee's rights hereunder shall be subject and subordinate to the rights and remedies of Lessor's lender(s), owner(s), or any other third party that shall have financed any of the Cars. So long as no Event of Default shall have occurred hereunder this Lease shall be permitted subordinate right by Lessor's lenders, owners or third parties so that Lessee may use the Cars during the term of the Lease.

(b) Before delivery, each Car shall be marked on each of its sides with owner's and/or Lessor's name(s), car mark and numbers, and other identifying data as set forth in Appendix A hereto. If any such markings shall be removed or made

illegible in whole or in part during Lessee's use hereunder. Lessee when aware of such marking(s) shall notify Lessor promptly so that Lessor can restore or replace any such markings or data at Lessor's sole cost.

(c) Lessee shall not allow the name of any person, association, railroad, corporation, or non-corporate entity to be placed on any Car in any manner. Lessee shall not obscure the ownership markings of a Car's owner(s) and/or Lessor. Lessee shall have the right, however, to place a reasonably sized placard or decal on each Car, which shall be easily removable, to show the Car has been leased to it; provided, however, that such placard or decal shall not damage a Car or its paint, and that it shall not cover or obscure the markings of owner(s) and/or Lessor(s). Lessee shall remove any such placard or decal before redelivery hereunder. If any such placard or decal shall not be easily removable before redelivery hereunder, Lessee shall promptly pay to Lessor, after receipt of Lessor's invoice, the reasonable costs of labor and materials required to effect such removal.

(d) Lessee acknowledges and agrees that, by its execution of this Lease and by its rental payments and other performance hereunder, Lessee does not and shall not obtain any title or other beneficial interest(s) in any of the Car(s) at any time hereunder or thereafter. Lessee further acknowledges and agrees that it shall not acquire, by its performance hereunder, any property right(s) or interest(s), legal or equitable, in any Car.

(e) Lessee shall not create, cause, nor allow the creation of, directly or indirectly, any encumbrances(s), lien(s), or mortgage(s) (collectively, "Encumbrances") against any of the Car(s) during the term hereof. If any Encumbrances shall be recorded against any Car(s) for any reason other than Lessor's action(s):

(i) Lessee shall promptly notify Lessor in writing; and

(ii) Lessee shall immediately cause any such Encumbrances, at its sole expense, to be discharged and its recordation(s) canceled.

Lessee's duty and obligations under this subsection, however, shall not include any Encumbrance(s) created for the benefit of or against Lessor or any of Lessor's financing interests.

(f) Any and all rights of owner(s) and/or Lessor of the Cars under any lease(s) or sublease(s) with Lessor may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, in whole or in part, without notice to Lessee; provided, however, that Lessee's leasehold interest(s) hereunder shall not be altered nor affected thereby. In the event of an assignment, pledge, mortgage, transfer, or other disposition, this Lease shall be subject and subordinate to the terms, covenants, and conditions of any other agreements and instrument(s); and to all of the rights of the assignee(s) or other holder(s) of legal title to or beneficial interest in any of the Cars, subject to Lessee's leasehold interests hereunder. The Cars may be repossessed or remarked without cost to Lessee. Lessee shall have an option, to be exercised in Lessee's sole discretion, and without penalty or additional costs, to terminate this Lease if any term or condition of an assignment, pledge, mortgage, transfer, or other disposition shall interfere with, diminish, or negate any of Lessee's leasehold interest(s) hereunder.

(g) Both parties agree to execute any documents that may be reasonably required by Lessor of the Cars' owner(s) to effect any financing agreement(s) in connection with the acquisition, financing, or refinancing of the Cars.

(h) Lessee agrees to provide to Lessor the following financial information: Annual Report, which includes an audited balance sheet and income statement.

(8) **Acceptance on Delivery or Redelivery.** Each party shall promptly accept each Car that shall be delivered or redelivered as provided herein, unless a Car shall be found unfit for use in interchange service under the Rules or under Section (6)(b) hereof. On delivery or redelivery, as the case shall be, the receiving party shall notify the other party, by phone or Fax, to be confirmed promptly in writing of any Car that shall be unfit for interchange service under the Rules. The loading of any Car(s) by Lessee, Lessor, or either party's agent or designee after delivery or redelivery shall be conclusively presumed to signify the receiving party's acceptance of such Car(s) hereunder.

(9) **Intentionally left blank.**

(10) **Lessor's Duty to Maintain and Repair.**

(a) Maintenance and repair of the Cars shall be Lessor's responsibility hereunder, provided, however, that Lessor shall not be responsible for repair(s) or replacement(s) that shall have been the result of Lessee's sole negligence or any event set forth

in Section (11)(a) hereof, Lessor's maintenance and repair obligation shall also not include the repair(s) or replacement(s) of the part(s) and appliance(s) set forth in Section (11)(b) hereof.

(b) No repair(s), other than running repair(s) as defined in the AAR Rules, shall be made by Lessee or any third party without Lessor's prior written consent.

(11) **Damage, Maintenance; Destruction.**

(a) If any Car(s) shall be lost, damaged, or destroyed while (i) on the tracks of Lessee, or (ii) on any private track, or (iii) on the track of any railroad that shall not subscribe to the AAR Rules, all such damage or loss shall be borne by Lessee at its sole cost and expense. Repair and or replacement costs set forth in this subsection shall be promptly paid by Lessee to Lessor on receipt of Lessor's invoice.

(b) Lessee shall further be solely responsible for the direct cost and expense of repairing or replacing (i) any of the Cars' parts, floors or sides damaged as set forth in Section (11) (a) hereof, (ii) the Cars' interior structure including but not limited to the top chords, (iii) and safety appliances. The standard for Lessee's responsibility for damages or negligence in its use of the Cars hereunder shall be that all cars shall be redelivered to Lessor in the same conditions when the Cars were delivered and accepted by Lessee hereunder, ordinary wear and tear accepted. Lessee shall promptly pay repair and/or replacement costs under this subsection to Lessor on receipt of Lessor's invoice.

(c) Lessor shall not be liable for, and Lessee hereby waives any claim(s) against Lessor, for any loss of or damage to any commodity loaded or shipped in the Car(s).

(d) Except for applicable rental abatement, Lessor shall not be liable for Lessee's loss of the use of any Car(s) for any reason whatsoever.

(12) **Replacement Cars.** Lessor shall not be required nor obligated to provide a replacement for a destroyed or mechanically unfit Car permanently removed from Lessee's use hereunder.

(13) **Rental Abatement.**

(a) If Lessee has knowledge of a visual or needed repair other than a running repair, Lessee shall promptly provide notice of visual repair to Lessor.

(b) If any Car(s) shall be reported by Lessee or by any railroad as unfit for interchange service under the Rules, rental charges for such Car(s) shall abate pro-rata from and after the sixth (6th) day following the date on which such Car(s) shall have arrived at the designated shop. Rental abatement shall continue until the date any Car(s) under repair shall be released from a repair shop or railroad for return to Lessee's use hereunder. Rental charges shall not abate, however, for the repair, replacement, destruction, or maintenance of any Car(s) that shall be Lessee's sole obligation and responsibility under Sections (11)(a) and (11)(b) hereof.

(c) If a Car shall have been derailed, and if such derailment shall not have been caused by Lessee, and if such Car shall not be rerailed within five (5) days following its derailment, rent shall abate on the date of the derailment and shall be reinstated on the date of rerailed. If such Car shall require repairs, Sections (13)(a) and/or (13)(b) shall control the dates on which rent shall abate and shall resume.

(14) **Property Taxes; Other Assessments; Insurance.**

(a) Lessor shall be solely responsible for the payment of all property taxes assessed on the Cars; and Lessor shall file tax reports and returns relevant thereto. Lessee shall provide Lessor with all pertinent information for such filings, related solely to Lessee's use of the Cars hereunder but without regard to whether Lessor's request for such data shall be made during the term of this Lease or after its termination.

(b) Lessee shall promptly forward to Lessor all correspondence, notifications, assessments, and tax bills (collectively, "Notices") that it shall receive respecting property taxes. If Lessee shall fail to forward such Notices promptly, Lessee shall be

liable to Lessor for all fines, interest, and penalties assessed against Lessor as a result of Lessor's failure to comply with this subsection; provided, however, that Lessor shall not have received independent knowledge of any such Notice.

(c) Section (14)(a) To the contrary notwithstanding, Lessee shall be solely responsible for the payment of any import and export duty or tariff, use, and/or lease tax(es), including without limitation any Canadian withholding or GMT tax or levy, that shall be imposed by any domestic or foreign governmental agency or any other authorized entity during Lessee's use of any Car(s) hereunder. Lessee shall reimburse Lessor promptly, on receipt of Lessor's invoice, for any tax(es) or levy(-ies) that shall be Lessee's obligation to pay under this subsection.

(d) Lessor shall insure the Cars for such casualties and in such amounts as shall be customary in the business of leasing equipment of the type leased hereunder. In providing such insurance coverage, however, Lessee shall not be relieved or released from any indemnity and hold-harmless provision hereunder including, without limitation, those provisions set forth in Section (5) hereof. Furthermore, Lessee shall have no claim against any such insurance coverage maintained by Lessor hereunder for the consequences of any act(s) and omission(s) to act by Lessee for which Lessee shall have a duty or obligation hereunder to Lessor or any third party.

(15) **Payment of Rail and Accessorial Charges.** Lessee shall be responsible for the payment of any rail rate or charge, including without limitation any switching charge, demurrage charge, and any other assessment made by any railroad that shall be applicable in connection with any movement(s) of and/or shipment(s) in any of the Car(s) during the term hereof.

(16) **Lease and Lessee's Assignment.**

(a) Lessee shall not assign, transfer, or encumber, in any manner whatsoever, its leasehold interest(s) under this Lease. However, Lessee may assign this Lease to Domtar Inc., or a subsidiary of Domtar, Inc., upon written notice to Lessor, provided that the following two provisions are met: (i) such assignee shall assume, in writing reasonably acceptable to Lessor, the obligations under this Lease; and (ii) such assignment does not create an Event of Default hereunder. Thereafter, Georgia-Pacific Corporation shall be relieved of any obligations under this Lease except for those duties and obligations arising prior to such assignment.

(b) Lessee shall have no right to lease or sell any of the Cars to any third party without Lessor's prior written consent, which consent Lessor shall have sole discretion to withhold for any reason.

(17) **Breach; Default; Remedies.**

(a) The occurrence of any the following events shall be an Event of Default:

(i) Lessee shall fail to make any rental payment or any other required payment of money under this lease to Lessor within five (5) days written notice that such payment is due; or

(ii) Lessee shall fail to perform any other obligation or duty hereunder within twenty (20) days of Lessor's written demand for performance; or

(iii) Lessee shall file a petition, or a petition shall have been filed by a third party, in bankruptcy or for reorganization in bankruptcy; or

(iv) Lessee shall file a petition for the appointment of a trustee or receiver; or

(v) Lessee shall be found insolvent or unable to pay its debts as they mature or become due; or

(vi) Lessee shall be required to make an assignment for the benefit of its creditors or shall call a meeting of its creditors for compromise of its debts.

(vii) In the event that Lessee becomes the debtor in a Chapter 11 proceeding under the Bankruptcy Code, the failure of such entity to assume this Lease within sixty (60) days of the commencement of Chapter 11 proceeding.

(b) Upon the occurrence of any Event of Default, Lessor at its option may exercise any or all of the following rights and remedies and any additional rights and remedies permitted by law or in equity and shall be entitled to recover all its costs and expenses including actual attorney's fees and expenses in enforcing its rights and remedies:

- (i) Terminate this Lease and recover damages; and/or
- (ii) Proceed by any lawful means to enforce performance by Lessee of this Lease and/or to recover damages for any breach thereof; and/or
- (iii) Terminate this Lease by written notice, and retake the Cars and thereafter recover as liquidated damages (and not as a penalty), it being acknowledged by the parties that actual damages are difficult or impossible to estimate and that the following is a reasonable estimate of the probable loss, any and all costs and expenses of termination, retaking and reselling or re-leasing (including, without limitation, actual attorney's fees and expenses) in addition to the present value (using a discounted rate of two percent (2%) per annum) of all rental for the unexpired balance of the Lease term then in effect unpaid as of said date of termination. Lessor may sell the Cars at public or private sale, with or without notice, advertisement, or publication, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Cars as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto; or
- (iv) Without terminating this Lease, repossess the Cars, but in the event the Cars are delivered to Lessor or are repossessed, Lessor shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including actual attorney's fees and expenses) of retaking, repairing (if necessary) and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds, as the same shall accrue. The election by Lessor to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained, including, without limitation, the obligation to pay rent.

The obligation to pay any deficiency or any sum or sums due and unpaid or any damages suffered by reason of Lessee's default hereunder shall survive the termination of the Lease and the reletting of the Cars. The remedies in this Lease shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies existing at law or in equity.

(18) Records of Use by Lessee; Inspection of Cars.

(a) Lessee agrees to furnish to Lessor, promptly on Lessor's written request, complete and accurate information and data regarding Lessee's use of the Cars hereunder, which data shall be reasonably required for Lessor's administration of Lessor's leasers).

(b) Lessor or its agent(s) shall have the right to inspect any of the Cars, at Lessor's sole cost, at such time(s) as Lessor, in its sole discretion, shall deem to be necessary, provided, however, that any such inspection(s) shall not unreasonably interfere with Lessee's use of any of the Cars. Lessor shall give Lessee not less than five (5) days' notice of any inspection. Lessor shall assume all risk(s) in connection with any inspection except for the consequences of Lessee's negligence during such inspection(s).

(19) Lessor's Disclaimer of Warranties. Lessor's obligations with respect to the Cars are expressly limited to those set forth in the Lease, and Lessor **MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OF MERCHANTABILITY, OF FITNESS FOR ANY PARTICULAR PURPOSE, OR OF FREEDOM FROM INFRINGEMENT OF ANY PATENT OR TRADEMARK OR THE CLAIMS OF ANY THIRD PARTY, EXPRESS OR IMPLIED, OR OTHERWISE.**

(20) Legal Compliance.

(a) This Lease shall be subject to all statutes, rules, and regulations that govern the ownership, use, and operation of the Cars leased hereunder, which now or hereafter shall affect, change, or modify the terms and conditions hereof or render unlawful the performance of any of this Lease's provisions.

(b) Any provision of this Lease found to be unlawful or unenforceable shall be severed from this Lease. The remaining provisions hereof shall not be affected thereby. The rights and obligations of the parties shall be construed as if this Lease shall not have contained such severed term or provision.

(21) **Legal Jurisdiction.** Except as preempted by federal law, this Lease shall be subject to the laws of the State of Illinois. This Lease shall not be subject to the law of any other state under Illinois choice of law concepts or principles.

(22) **Prior Delivery.** Lessee agrees that all of this Lease's provisions shall fully apply to any Car(s) delivered to and accepted by Lessee before the date of execution hereof.

(23) **Notices.** All notices required hereunder shall be sent by certified mail or overnight courier service with proper fees prepaid and addressed as follows:

(a) To Lessor:

Richard Murphy
Midwest Railcar Corporation
9876 213th Avenue, NW
Elk River, MN 55330
Phone: (612) 441-6412; Fax: (612) 441-6422.

(b) To Lessee:

Mr. Scott Smith
Georgia-Pacific Corporation
Building Products Group - 15th FL
133 Peachtree St., N.E.
Atlanta, GA 30348
Phone: (404) 652-5715 Fax: (404) 236-7873

(24) **Entire Agreement.** This Lease and its Appendix contain the entirety of the understandings and agreements of the parties hereto. This Lease shall not be changed or altered except in writing signed by both parties.

(25) **Counterparts.** This Lease may be executed in any number of counterparts, and such counterparts together shall constitute one contract.

(26) **Non-Waiver of Breach.** A waiver of any breach hereunder by either party shall not constitute a waiver of any subsequent breach of the same or any other term or provision hereof.

(27) **Captions.** Captions have been used for the convenience of the parties only. No caption shall be employed to construe any provision hereof.

(28) **Number.** The singular shall be construed to include the plural, and vice versa, whenever necessary and appropriate to the context of any provision hereof. The use of the disjunctive herein shall be construed to include the conjunctive, and vice versa, whenever necessary and appropriate to the context of any provision hereof.

IN WITNESS WHEREOF, the parties hereto, evidencing each party's intention to be bound by this Lease, have executed this Lease on the date first written above.

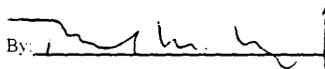
GEORGIA-PACIFIC CORPORATION

now By: 
d.o.b. Title: Robert T. Pugh
Vice President
Date: Transportation & Logistics Division

FS-GPDOMTAR

7/31/01

MIDWEST RAILCAR CORPORATION

By: 
Title: President & CEO
Date: 7/24/01

APPENDIX A

Marks, Numbers, and Other Specifications
Of Cars Leased by Midwest Railroad Corporation to
Georgia Pacific Corporation Under a Lease
Dated July 24, 2001

Forty (40) 6000 C.F. 100-ton Woodchip Gondolas equipped with "A" end door, no horizontal braces applied to cars.

MWCX 100074 - 100113

Exhibit B

DEFAULTS

NONE

Exhibit C

DESCRIPTION OF RAILCARS

Forty (40) 6,000 C.F. 100-ton Woodchip Gondolas equipped with "A" end door. no horizontal braces applied to cars

MWCX 100074 – 100113, inclusive

I, Mary Ann Oster, do certify under penalty of perjury, that I have compared the attached Assignment and Assumption of Lease dated 8/04/01 with the original thereof and have found the copy to be complete and identical in all respects to the original document.


Mary Ann Oster

Dated: 9/20/01.