

WEINER BRODSKY SIDMAN KIDER PC

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FIFTH FLOOR
WASHINGTON DC 20036 1609
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RECORDATION NO. 23663 FILED

SEP 20 '01 4:22 PM

SURFACE TRANSPORTATION BOARD

September 20, 2001

BY HAND

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

Re: Recordation of Equipment Lease

Dear Secretary Williams:

Enclosed are one (1) original and (1) copy of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the United States Code.

This document is an Equipment Lease Agreement, a primary document, dated as of May 3, 2001. This Equipment Lease Agreement concerns the lease of certain rail cars by The Mahoning Valley Railway Company to LTV Steel Company, Inc. The names and addresses of the parties to the Equipment Lease Agreement are as follows:

Lessor

The Mahoning Valley Railway Company
136 South Fifth Street
Coshocton, OH 43812

Lessee

LTV Steel Company, Inc.
200 Public Square
Cleveland, OH 44114-2308

The equipment covered by the Equipment Lease Agreement is 55 rail cars, as further described on Attachment 1, attached hereto.

WEINER BRODSKY SIDMAN KIDER PC

Hon. Vernon A. Williams

- 2 -

September 20, 2001

A fee of \$28.00 is enclosed. Please return the original Equipment Lease Agreement to:

Rose-Michele Weinryb
Weiner Brodsky Sidman Kider PC
1300 19th Street, NW
Fifth Floor
Washington, DC 20036

A short summary of the document to appear in the index follows:

This document, a primary document, is an Equipment Lease Agreement between LTV Steel Company, Inc. ("LTV"), 200 Public Square, Cleveland OH 44114-2308, and The Mahoning Valley Railway Company ("MVR"), 136 South Fifth Street, Coshocton, OH 43812, dated as of May 3, 2001, and covering the lease by MVR to LTV of the following 55 rail cars: MV 900, MV 901, MV 903 through MV 938, MV 940 through MV 949, YS 202, YS 217, YS 227, YS 316, YS 317, YS 319 and YS 3019.

Very truly yours,



Rose-Michele Weinryb

Enclosures

SECRETARY'S DOCUMENT FILE

NO.

RECORDATION NO.

23663

FILED

EQUIPMENT LEASE AGREEMENT

SEP 20 '01

7:22 PM

SURFACE TRANSPORTATION BOARD

THIS LEASE, dated as of May 3, 2001, between THE MAHONING VALLEY RAILWAY COMPANY, an Ohio corporation ("Lessor"), and LTV STEEL COMPANY, INC., a New Jersey corporation ("Lessee"). (Lessor and Lessee are referred to herein together as the "Parties," and individually as a "Party").

WITNESSETH:

WHEREAS, The Cuyahoga Valley Railway Company ("CVR"), which is an affiliate of Lessee, has entered into that certain Stock Purchase Agreement among Lessor, CVR and Summit View, Inc. ("Summit") dated March 30, 2001 (the "Purchase Agreement"), whereby CVR has sold and transferred to Summit all of the issued and outstanding capital stock of Lessor (the "Transaction");

WHEREAS, pursuant to Section 2.5 of the Purchase Agreement, and as part of the consideration for the Transaction, Lessor entered into that certain Transportation Services Agreement between Lessee and Lessor dated May 3, 2001 (the "Services Agreement"), whereby Lessor agreed to provide Lessee with common carrier freight rail service at the levels of service set forth in the Services Agreement.

WHEREAS, following the consummation of the Transaction, Lessee will have a continuing need for rail cars for storage and intraplant movements;

WHEREAS, pursuant to Section 7.01 of the Services Agreement, and as part of the consideration for the Transaction, Lessor and Lessee are entering into this Lease.

NOW, THEREFORE, in consideration of the premises, the Purchase Agreement and the mutual undertakings set forth herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Lease of Equipment. Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the railroad cars set forth on Schedule 1 attached hereto ("Rail Cars"), subject to the terms and conditions of this Lease. Title to the Rail Cars shall be vested in Lessor to the exclusion of Lessee, and the delivery of the Rail Cars to Lessee and Lessee's possession thereof shall constitute a letting only. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Services Agreement.

2. Use of Rail Cars. The Rail Cars shall be used by Lessee solely for (i) intraplant transportation of material within the Youngstown Facilities, and/or (ii) storage of LTV material within the Youngstown Facilities or on the MVR tracks identified on Schedule 2 hereto (the "MVR Tracks"). Lessor shall perform, at the appropriate tariff or contract rate (as set forth in the Services Agreement), all movements of the Rail Cars on Lessor's Main Line and all movements from the MVR Tracks to the Youngstown Facilities; *provided, however,* that, at Lessee's option, Lessee shall be permitted to move Rail Cars from the MVR Tracks to the Youngstown Facilities.

3. Commencement of Lease. This Lease shall become effective as to each Rail Car upon the date of this Lease, and shall remain in effect for an initial term of three (3) years (the "Initial Term"). Unless either Party terminates this Agreement upon written notice to the other not more than ninety (90) days nor less thirty (30) days prior to the end of the Initial Term (or Extended Term, as applicable), this Agreement shall roll over for successive one (1) year extended terms (each of which shall be referred to herein as an "Extended Term"). As to any

particular Rail Car, this Lease shall terminate upon an Event of Loss and payment by Lessee of the Residual Value for such Rail Car in accordance with Section 11 hereof. Upon termination of the Lease, whether in whole or in part, Lessee shall no longer be responsible for rent as to the Rail Car(s) subject to such termination, and Lessor shall remove such Rail Cars(s) from the Youngstown Facilities within five (5) days after the termination date.

4. Rent.

(a) During the Initial Term, Lessee agrees to pay Lessor rent in the amount of Three Dollars (\$3.00) per Rail Car for each day during which such Rail Car is used either for the intraplant movement of materials or the storage of materials (the "Rent"). The Rent shall include the use by LTV of the MVR Tracks. The Rent shall be payable monthly, in arrears, by the fifth (5th) day of each month.

(b) During each Extended Term, the Rent shall be an amount negotiated by the Parties. If the Parties fail to negotiate a new Rent amount prior to the commencement of an Extended Term, then the Rent during that Extended Term shall be the Rent amount in effect during the immediately preceding Initial Term or Extended Term, as applicable.

(c) Lessee shall keep written records, in a format mutually agreeable to the Parties, that show which Rail Cars are loaded for storage and intraplant movements each day. Such daily records shall be made available to Lessor, at Lessor's request, during normal business hours at the Youngstown Facilities. With each Rent payment, Lessee shall include a summary of the daily records for that month.

(d) This is a true lease. Lessee's obligation to pay Rent and any other amount payable under this Lease shall be as set forth herein.

5. Maintenance and Repairs. Lessee, at its sole expense, shall provide the necessary maintenance and repairs to preserve the Rail Cars in the same condition, ordinary wear and tear excepted, as when delivered to Lessee by Lessor pursuant to this Lease. Lessor acknowledges that the Rail Cars do not meet the applicable AAR Interchange Rules.

6. Indemnification.

(a) Lessee shall indemnify and hold harmless Lessor, its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all claims, losses, liabilities, damages, judgments, and any and all costs and expenses in connection therewith (including reasonable attorneys' fees) (collectively, "Loss") arising out of or in connection with the possession, use, maintenance and repair of Rail Cars during the period of time when such Rail Cars are subject to this Lease, including without limitation, claims for injury to or death of persons, for damage and loss to property, and for violation of any law, rule or regulation of any public authority; *provided*, that Lessee's indemnity obligation under this Section 6(a) shall not apply to the extent that a Loss is caused by the negligence or wrongful intentional act of Lessor.

(b) If any suit or action shall be brought against Lessor for Loss which under the provisions of this Lease is the responsibility of Lessee, Lessor shall promptly notify Lessee in writing, and Lessee shall have the right and be obligated to take over the defense of such suit or action.

7. Demurrage. Lessor shall not impose upon Lessee, by tariff or otherwise, any demurrage, storage or other charge or fee on account of detention of loaded or empty Rail Cars within the Youngstown Facilities or on the MVR Tracks.

8. No Warranties. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE DESIGN, OPERATION OR CONDITION OF THE RAIL CARS OR ANY PART THEREOF, ITS MERCHANTABILITY, ITS FITNESS FOR A PARTICULAR PURPOSE, OR WITH RESPECT TO PATENT INFRINGEMENT, TITLE OR THE LIKE. Lessor assumes no liability for and makes no representations as to the treatment by Lessee of this Lease, Rail Cars or Rent for financial statements or tax purposes.

9. Liens. Lessee shall not directly or indirectly, create or incur or suffer to be created or incurred or to exist any lien, mortgage, charge, encumbrance, security interest or other adverse claim (a "Lien") on any Rail Car or on any of its rights under this Lease, and if any such Lien shall come to exist, Lessee shall, at its sole cost and expense, promptly remove the same and provide Lessor written evidence of such removal as Lessor may reasonably request. Notwithstanding the foregoing, Lessor hereby agrees that Lessee may make collateral assignment of this Lease to its lender ("Lender"); *provided*, that such assignment shall obligate Lender to assume, in writing, all of Lessee's obligations under the terms of this Lease in the event that Lender forecloses on Lessee's interests hereunder.

10. Sole Possession. So long as No Event of Default (as defined in Section 12 hereof) has occurred and is continuing, Lessee shall have sole possession and peaceful enjoyment of the Rail Cars.

11. Loss/Condemnation. Lessee shall be solely responsible for any loss, theft, condemnation, governmental seizure or damage to any Rail Car. If a Rail Car is lost, stolen, condemned, seized by a governmental authority or damaged beyond repair or is otherwise not useful for any purpose (each event being an "Event of Loss"), then Lessee shall, not later than

thirty (30) days after such occurrence, pay Lessor or cause Lessor to be paid the Residual Value set forth in Schedule 11 hereto opposite the number of the affected Rail Car. On receipt of such payment and all other amounts due under this Lease with respect to the Rail Car subject to the Event of Loss, Lessee's obligations to pay Rent for such Rail Car shall cease, and Lessor shall convey to Lessee title to the Rail Car "AS IS, WHERE IS," WITHOUT REPRESENTATION OF, OR RECOURSE TO, LESSOR, its agents, servants, employees or representatives, except for the warranties of good, indefeasible and unencumbered title.

12. Events of Default. The following shall constitute Events of Default:

(a) Lessee shall fail to pay all or any part of Rent due within five (5) business days after Lessee's receipt of written notice thereof from Lessor; or

(b) Lessee shall fail to perform or shall breach any of the other covenants herein and shall continue to fail to observe or perform the same for a period of thirty (30) days after Lessee's receipt of written notice thereof from Lessor; or

(c) Without Lessor's consent, Lessee, sells, leases or transfers any Rail Car to a third party; or

(d) Lessee creates, incurs, suffers to exist any Lien upon or affecting the Rail Cars, and fails to remove such Lien within thirty (30) days after Lessee's receipt of written notice thereof from Lessor; or

(e) Lessee becomes insolvent, makes an assignment for the benefit of creditors, ceases or suspends its business, admits in writing its inability to pay its debts as they mature; or bankruptcy, reorganization or other proceedings for the relief of debtors or benefit of creditors shall be instituted by or against Lessee.

13. Remedies upon Default. Upon the occurrence of any Event of Default and at any time thereafter, Lessor may do any one or more of the following with or without terminating this Lease:

(a) Accelerate the due date so that all outstanding Rent owed by Lessee to Lessor shall be due five (5) days after Lessee's receipt of written notice from Lessor that specifies the Event of Default;

(b) Upon five (5) days' written notice to Lessee, sell or lease any Rail Cars or otherwise dispose, hold or use such Rail Cars at Lessor's sole discretion;

(c) Upon five (5) days' written notice to Lessee, demand payment of all reasonable, additional costs incurred by Lessor in the course of correcting any default;

(d) Upon five (5) days' written notice to Lessee, terminate this Lease and, upon such termination, take immediate possession of the Rail Cars;

(e) Enforce performance by Lessee of the terms hereof; and

(f) Exercise any other right or remedy available to Lessor under any applicable law.

14. Assignment.

(a) With the exception of collateral assignment of this Lease by Lessee to its Lender in accordance with the provisions of Section 9 hereof, to which Lessor hereby agrees, Lessee may not, without Lessor's prior written consent, sublease, transfer, dispose of or assign any part of its rights or interest in and to this Lease (or any obligations thereunder) or the Rail Cars, except to a successor in interest to all or substantially all of the business of Lessee to which the Rail Cars relate.

15. Taxes. Lessee shall be responsible for payment of all local, state, and federal taxes (other than net income taxes) and other fees or assessments imposed upon or with respect to Lessee's acceptance, possession, lease, or return of the Rail Cars (collectively, "Taxes"). Without limiting the foregoing, Lessee shall promptly pay all sale, use or similar taxes imposed on the leasing (but not on Lessor's acquisition) of the Rail Cars hereunder. Lessee may contest any Taxes *provided* that: (a) Lessee does so in its own name and at its own expense unless it is necessary to join Lessor in the contest or bring the contest in Lessor's name; (b) the contest does not and will not result in any Lien attaching to any Rail Car or otherwise jeopardize Lessor's rights to any Rail Car; and (c) Lessee indemnifies Lessor for all expenses (including reasonable legal fees and costs), liabilities and losses that Lessor incurs as a result of any such contest. Lessee does not warrant, or indemnify Lessor against the loss of the availability of cost recovery deductions, tax credits or other tax benefits associated with Lessor's ownership of the Rail Cars.

16. STB Filing. Within forty-five (45) days of the closing of the Purchase Agreement, Lessee shall record with the Surface Transportation Board notice of this Lease, in accordance with 49 U.S.C. § 11301.

17. Notice. All notices, demands and other communications ("Notice") to be given or delivered by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been received on the date such Notice is personally delivered, on the first business day following the date on which such Notice is sent by a national overnight delivery service, on the third business day following the date such Notice is mailed by registered or certified mail, return receipt requested, or on any date using any other method of delivery as the Parties agree. A Notice to Lessee or Lessor shall, unless another address is specified in writing, be sent to the address indicated below:

If to Lessee:

The LTV Corporation
200 Public Square
Cleveland, OH 44114
Attention: General Counsel

With a copy to:

Weiner Brodsky Sidman Kider PC
1300 19th Street, NW, 5th Floor
Washington, D.C. 20036-1609
Attention: Mark H. Sidman

If to Lessor:

The Mahoning Valley Railway Company
136 South Fifth Street
Coshocton, OH 43812
Attention: W.A. Strawn

With a copy to:

Slover & Loftus
1224 Seventh Street, NW
Washington, D.C. 20036
Attention: Kelvin J. Dowd

18. Governing Law. This Lease shall be governed by the laws of the State of Ohio, without regard to doctrines of conflict of laws.
19. Headings. All section headings in this Lease are inserted for convenience only and shall not be deemed to alter or affect the meaning or interpretation of the provisions thereof.
20. Interpretation. This Lease is the result of mutual negotiations of the Parties hereto, neither of whom shall be deemed the drafter of this Lease or any portion hereof.

21. Severability. Whenever possible, each provision of this Lease shall be interpreted in such manner as to be effective, valid and enforceable under applicable statute or rule of law. If any of the provisions of this Lease are deemed or adjudicated to be invalid, ineffective or unenforceable under any applicable statute or rule of law, they are, to that extent, deemed omitted from this Lease, without invalidating or rendering unenforceable or ineffective the remainder of such provisions or the remaining provisions of this Lease, which shall remain in full force and effect.

22. Entire Agreement. This Lease constitutes the entire agreement between the Parties hereto and supercedes any and all understandings or agreements, whether oral or written, between the Parties with respect to the subject matter hereof that have not been set forth in this Lease.

23. Survival: Lessee's and Lessor's obligations hereunder shall survive the termination of the Lease to the extent required for full performance and satisfaction thereof.

24. Counterparts. This Lease may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument; *provided, however*, that to the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code, as adopted by the State of Ohio) no security interest in this Lease may be created through the transfer or possession of any counterpart of this Lease other than the original executed counterpart of this Lease, which shall be identified as such counterpart.

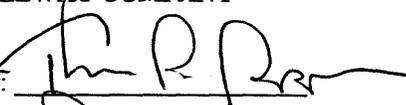
25. Amendments and Waivers. None of the provisions of this Lease may be amended, modified or waived except in writing signed by Lessor and Lessee.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be executed by their respective duly authorized officers as of the date first above written.

LTV STEEL COMPANY, INC.

By: 
Its: V.P. & CFO

THE MAHONING VALLEY
RAILWAY COMPANY

By: 
Its: PRESIDENT

Schedule 1

| <u>NO.</u> | <u>CAR INITIAL</u> | <u>CAR NUMBER</u> | <u>NO.</u> | <u>CAR INITIAL</u> | <u>CAR NUMBER</u> |
|------------|--------------------|-------------------|------------|--------------------|-------------------|
| 1 | MV | 900 | 29 | MV | 929 |
| 2 | MV | 901 | 30 | MV | 930 |
| 3 | MV | 903 | 31 | MV | 931 |
| 4 | MV | 904 | 32 | MV | 932 |
| 5 | MV | 905 | 33 | MV | 933 |
| 6 | MV | 906 | 34 | MV | 934 |
| 7 | MV | 907 | 35 | MV | 935 |
| 8 | MV | 908 | 36 | MV | 936 |
| 9 | MV | 909 | 37 | MV | 937 |
| 10 | MV | 910 | 38 | MV | 938 |
| 11 | MV | 911 | 39 | MV | 940 |
| 12 | MV | 912 | 40 | MV | 941 |
| 13 | MV | 913 | 41 | MV | 942 |
| 14 | MV | 914 | 42 | MV | 943 |
| 15 | MV | 915 | 43 | MV | 944 |
| 16 | MV | 916 | 44 | MV | 945 |
| 17 | MV | 917 | 45 | MV | 946 |
| 18 | MV | 918 | 46 | MV | 947 |
| 19 | MV | 919 | 47 | MV | 948 |
| 20 | MV | 920 | 48 | MV | 949 |
| 21 | MV | 921 | 49 | YS | 317 |
| 22 | MV | 922 | 50 | YS | 316 |
| 23 | MV | 923 | 51 | YS | 3019 |
| 24 | MV | 924 | 52 | YS | 227 |
| 25 | MV | 925 | 53 | YS | 202 |
| 26 | MV | 926 | 54 | YS | 217 |
| 27 | MV | 927 | 55 | YS | 319 |
| 28 | MV | 928 | | | |

Schedule 2

MVR TRACKS

All tracks identified on Schedule 4.02 of the Transportation Services Agreement between The Mahoning Valley Railway Company ("MVR") and LTV Steel Company, Inc., dated as of May 3, 2001 that are In-Service tracks, which tracks may change from time to time in MVR's reasonable discretion.

Schedule 11

**RESIDUAL VALUE
FOR RAIL CARS**

Two Thousand Dollars (\$2.000) per Rail Car

State of OHIO

County of COSSHOTON, ss: _____

On this SEPT 6TH day of 2001 before me personally appeared William A. Bauer II, to me personally known, who being by me duly sworn, says that he is the PRESIDENT of The Mahoning Valley Railway Company, that the Equipment Lease Agreement between The Mahoning Valley Railway Company and LTV Steel Company, Inc., dated as of May 3, 2001, was signed on behalf of The Mahoning Valley Railway Company by authority of its Board of Directors, and he acknowledged that the execution of said Equipment Lease Agreement was the free act and deed of The Mahoning Valley Railway Company.

(SEAL)



KIMBERLY R. WRIGHT
Notary Public, State of Ohio
My Commission Expires
July 2nd, 2003

My Commission expires July 2, 2003

State of OHIO

County of CUYAHOGA, ss: _____

On this July 16th day of 2001 before me personally appeared GEORGE HENNING, to me personally known, who being by me duly sworn, says that he is the VICEPRES. & CFO of LTV Steel Company, Inc., that the Equipment Lease Agreement between The Mahoning Valley Railway Company and LTV Steel Company, Inc., dated as of May 3, 2001, was signed on behalf of LTV Steel Company, Inc. by authority of its Board of Directors, and he acknowledged that the execution of said Equipment Lease Agreement was the free act and deed of LTV Steel Company, Inc.

(SEAL)

Sheri H Edison

My Commission expires _____

SHERI H. EDISON, Attorney at Law
Notary Public, State of Ohio
My Commission has no expiration date
Section 147.03 O. R. C.