

RECORDATION NO. 27394-D FILED

MAR 21 '08 -1 00 PM

SURFACE TRANSPORTATION BOARD

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20036

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March 21, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Schedule No. 3, dated as of March 11, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease Agreement previously filed with the Board under Recordation Number 27394.

The names and addresses of the parties to the enclosed document are:

Lessor: Rail Trusts Equipment, Inc.
1661 Beach Blvd.
Jacksonville Beach, FL 32250

Lessee: Garnet of Maryland, Inc.
8077 Brock Bridge Road
Jessup, MD 20794

Ms. Anne K. Quinlan, Esq.
March 21, 2008
Page 2

A description of the railroad equipment covered by the enclosed document is:

22 gondola railcars within the series USWX 8134 - USWX 8174 as more particularly set forth in the attachment to the document.

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

Schedule No. 3.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

SCHEDULE NO. 3 SURFACE TRANSPORTATION BOARD

THIS SCHEDULE NO. 3 ("Schedule") to that certain Lease Agreement (the "Agreement") dated as of October 22, 2007, by and between Lessor and Lessee (as defined herein) is made as of March 11, 2008 between Rail Trusts Equipment, Inc., or its assignee, as lessor ("Lessor"), and Garnet of Maryland, Inc. as lessee ("Lessee"). The terms of the Agreement are hereby incorporated into this Schedule in their entirety, as though fully set forth herein.

Lessor and Lessee agree as follows:

1. All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 1, except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated.

2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule:

3 Point of tender: National Steel Car, Hamilton, ON ^{two}

Car Description: 8700 Cubic Foot Gondola Railcar, as referenced by National Steel Car Limited Proposal Drawing 23418382A to Waste Management dated August 2, 2007. Twenty (22) 8700 c.f. 286,000 lb. gross rail Gondola Cars, specification and the subsequent railcar product manufactured and delivered against the lease agreement between Rail Trusts Equipment, Inc. and Garnet of Maryland, Inc., dated October 22, 2007 are designed referencing the Strachan & Henshaw railcar dumper drawings, supplied by Garnet of Maryland, Inc (the "lessee") and noted below.

Strachan & Henshaw Dumper Reference Drawings:

- a. Drawing number 54968-000 - First Issue dated 04/1996
- b. Drawing number A540969 - Converted from Alabama C6350/A513373 05/16/1996
- c. Drawing number 610704 - First Issue dated 04/1996

QUANTITY	CAR NUMBERS/SERIAL NUMBERS:
1	USWX 8134
1	USWX 8136
1	USWX 8138
1	USWX 8139
1	USWX 8152
1	USWX 8153
1	USWX 8154
1	USWX 8156
1	USWX 8157
1	USWX 8158
1	USWX 8161
1	USWX 8162
1	USWX 8164
1	USWX 8165
1	USWX 8166
1	USWX 8167
1	USWX 8168
1	USWX 8169
1	USWX 8170
1	USWX 8172
1	USWX 8173
1	USWX 8174

4. The Term of the Agreement with respect to each Car described in this Schedule shall be ninety-six (96) months (the "Initial Term"). The Initial Term shall commence (the "Commencement Date") on the first of the month following the date that the last Car has been delivered. Lessee shall pay Interim Rent, as defined below, on Cars delivered prior to the Commencement Date equal to the daily equivalent of the Basic Rent ("Interim Rent"), payable monthly. Periods of less than a full calendar month ("Month") shall be prorated based on a 30-day Month.

5. Lessee shall perform all of the registration and record keeping required for the Cars described in this Schedule, as described in Section 4 of the Agreement.

6. a) The Basic Rent ("Basic Rent") shall be \$1,067.45 per Car per Month for each Month during the Initial Term. The Basic Rent shall be due and payable without any demand, notice, abatement, reduction, or offset.

b) Lessee shall pay to Lessor the Basic Rent and any other amounts reimbursable to Lessor, in advance, on the first day of each Month during the Initial Term. Rental and other payments shall be sent to:

Rail Trusts Equipment, Inc.
P.O. Box 50456
Jacksonville Beach, FL 32240
Attention: Accounts Receivable Manager

or to such other address as Lessor may from time to time designate.

In addition, Mileage and Per Diem payments (as defined below) paid or allowed by railroads with respect to the Cars shall be the property of Lessee. Mileage and Per Diem, sometimes referred to together herein as Car Hire, are defined at all times to be the sum of the hourly per diem ("Per Diem") and mileage earnings ("Mileage") of the Cars, in accordance with the Code of Car Hire Rules of the AAR then in effect and all Mileage earned as private mileage allowance under the provisions of published tariffs.

7. Upon the expiration or termination of the Agreement with respect to the Car(s) described in this Schedule, without demand by Lessor, Lessee, at its sole expense, shall return such Car(s) to Lessor, pursuant to the terms of this paragraph, the Rider No. 1 attached hereto and made a part hereof, and Section 14 of the Agreement uncontaminated and in the same condition as received, less ordinary wear and tear, and in a condition fit for interchange between railroads signatory to railroad agreements that have handled this equipment while under control of Lessee and free of liens arising by, through or under Lessee, by delivering the Cars to Lessor at any maintenance, storage or terminal facility as Lessor designates to Lessee in writing. Rent for each Car shall cease only when each such Car is returned in the above condition to the point referenced above. Upon request, Lessee will store Car(s) for up to one hundred twenty (120) days from the date rent for such Car ceases as provided for above, free of charge at Lessor's risk, except for losses and claims arising from Lessee's negligence or willful misconduct.

(a) Extension/Purchase. In lieu of Lessee's obligation to return the Cars to Lessor upon expiry of the Initial Term, Lessee may, if no Event of Default exists, and upon Lessee having provided to Lessor notice not less than 120 days prior to such expiry, irrevocably elect to:

- (i) extend the Initial Term as to all and not less than all of the Cars under this Schedule for a period to be agreed upon by Lessee and Lessor for an amount equal to the Cars then fair market rental value as determined by the Parties. The fair market rental value shall be payable monthly by Lessee to Lessor on the first day of each month during the extension term, or
- (ii) purchase all of Lessor's right, title and interest in and to all, but not less than all, of the Cars under this Schedule on an "as-is, where-is," quitclaim basis, for a purchase price equal to \$57,552.47 per railcar.

8. Modifications to the Agreement. The parties hereby agree to amend the Agreement, but solely as it pertains to this Schedule No. 3, as follows:

- (i) The first line of Section 7. C) is hereby amended to read: "C) The insurance requirements of Subsection (A) (ii) above may be satisfied in";
- (ii) Section 10. D) is hereby deleted in its entirety and replaced with the following:
 "(D) If any Rent or other amount payable hereunder is not paid within 10 days of its due date, Lessee shall pay an administrative late charge of 5% of the amount not timely paid. Lessee shall pay interest equal to the lesser of (a) 10% per annum, or (b) the highest rate permitted by applicable law ("Default Rate") on (i) any amount other than Rent owing hereunder and not paid when due, (ii) Rent not paid within 30 days of its due date, and (iii) any amount required to be paid upon termination of this Agreement under Section 13 hereof.";
- (iii) Section 13.A) is hereby amended by adding thereto the following subsections:
- (vi) Lessee (w) enters into any merger or consolidation with, or sells or transfers all or any substantial portion of its assets to, or enters into any partnership or joint venture other than in the ordinary course of business with, any entity, (x) dissolves, liquidates or ceases or suspends the conduct of business, or ceases to maintain its existence, (y) if Lessee is a privately held entity, enters into or suffers any transaction or series of transactions as a result of which Lessee is directly or indirectly controlled by persons or entities not directly or indirectly controlling Lessee as of the date hereof, or (z) if Lessee is a publicly held entity, there shall be a change in the ownership of Lessee's stock or other equivalent ownership interest such that Lessee is no longer subject to the reporting requirements of, or no longer has a class of equity securities registered under, the Securities Act of 1933 or the Securities Exchange Act of 1934; or
- (iv) any material default occurs, that goes uncured beyond any applicable grace period, under any other lease, credit or other agreement or instrument to which Lessee, or any guarantor of Lessee's obligations hereunder, and Lessor or any affiliate of Lessor are now or hereafter party."
- (v) The sixth line of Section 17.A) is hereby amended to read:
 "... not limited to Lessor's strict liability in tort, arising out of the use, ownership, possession, storage, operation, condition, repair,"

9. Except as expressly modified by this Schedule, all terms and provisions of the Agreement shall remain in full force and effect with respect hereto.

10. This Schedule may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

LESSEE:

Garnet of Maryland, Inc.

BY: John S. Skoutelas
 NAME: John S. Skoutelas
 TITLE: Vice President
 DATE: 3/19/08

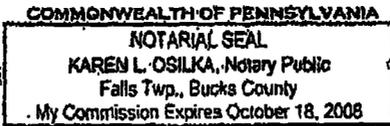
Notarial Acknowledgment:

State of Pennsylvania
County of Bucks

I hereby certify that on this day before me, an officer duly authorized in the State and County
 aforesaid to take acknowledgments, personally appeared John S. Skoutelas, Vice President
 of Garnet of Maryland, Inc.
 to me known to be the person(s) described in and who executed the foregoing instrument and
 acknowledged before me that (he, she, they) duly executed the same.
 In Witness Whereof I have hereunto set my hand and official seal this 19th day of March, 2008.
 My Commission Expires Oct 18, 2008.

(Official Seal)

Karen L. Osilka
 Notary Public



LESSOR:

Rail Trusts Equipment, Inc.

BY: [Signature]

NAME: Gil Gibbs

TITLE: Vice President

DATE: 3/13/08

Attachments: Exhibit A - Certificates of Acceptance
Rider #1 - Return Conditions and Stip Table

Notarial Acknowledgment:

State of Florida
County of Duval

I hereby certify that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Gil Gibbs

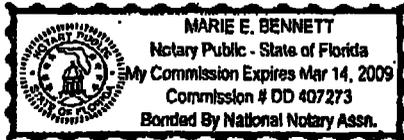
to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged before me that (he, she, they) duly executed the same.

In Witness Whereof I have hereunto set my hand and official seal this 13th day of March, 2008.

My Commission Expires March 14, 2009.

(Official Seal)

[Signature]
Notary Public



SUPPLEMENTAL MAINTENANCE AND RETURN CONDITIONS

RIDER I

RAILCARS

Maintenance

A) Upon expiration or any earlier termination of the Lease, all Equipment shall be returned to the location(s) designated by Lessor in the same condition as when first accepted by Lessee, less ordinary wear and tear resulting from the normal and proper use common to vehicles being utilized to transport waste thereof, and in compliance with the following: (i) free of any special advertising, lettering or other marking, washed (interior and exterior) and generally free of any liquid or product residue, silt, sludge or other debris, and otherwise in the condition in which it is required to be maintained hereunder; (ii) all wheels shall have a minimum thickness and contour that meets or exceeds AAR Interchange standards; (iii) all air brake components not meeting minimum requirements must be repaired or replaced as required under applicable AAR rules; (iv) brake shoes shall have a minimum of the usable wear remaining that meets or exceeds AAR standards; (v) Ordinary wear and tear, for the purpose of this agreement, is defined as follows: dents, bulges, bowing, minor interior and exterior surface rust, scratches, sheet steel patches, and typical wear on mechanical components that do not affect the structural integrity of the Railcar(s) or cause the Railcar(s) to be unsuitable for normal revenue service and interchange (as outlined by the Federal Railroad Administration (FRA), the Association of American Railroads (AAR), and the National Transportation Agency (NTA), or their successors with jurisdiction over the operations of Railcars in the geographic areas where the subject Railcars operate).

Sub-surface corrosion shall not be considered ordinary wear and tear, and every effort will be made to stop its progression before any damage or deterioration occurs. To the extent that damage or deterioration does occur, corrective repairs and replacements will be made in accordance with standard industry practice.

-Bowing that causes the car width to exceed the original design width of the car, as indicated in the Plate F diagram, by four inches (4") or more shall not be considered ordinary wear and tear; If bowing is found to have caused deviation of 4 inches or more from the original specifications, the Lessee will bring the car back into compliance with the original Plate F dimensions.

B) Lessee shall make no repair, alteration, modification, addition or attachment (collectively "Modification") with respect to any item of Equipment which (i) interferes with the normal and satisfactory operation or maintenance thereof; (ii) creates a safety hazard, (iii) violates any provision of this Annex or the Master Lease, (iv) results in the creation of a mechanic's or materialmen's lien with respect thereto, (v) impairs the originally intended function, use or value of such item as it existed immediately prior to the Modification or (vi) decreases the residual value, remaining useful life or utility of such item of Equipment;

C) Lessee must notify Lessor in writing not less than 180 days prior to expiration of the Base Term and of any extension or renewal thereof of Lessee's intent to return the Equipment or to exercise any purchase or renewal option set forth in the Schedule.

D) Return location(s) will be determined by Lessor on CSX lines within the Continental United States.

<u>Base Rent Installment Number</u>	<u>Stipulated Loss Value Percentage</u>	<u>Base Rent Installment Number</u>	<u>Stipulated Loss Value Percentage</u>	<u>Base Rent Installment Number</u>	<u>Stipulated Loss Value Percentage</u>
0	105.0034	33	89.33927	66	68.64677
1	104.6045	34	88.77854	67	67.95442
2	104.2024	35	88.21112	68	67.25889
3	103.7951	36	87.63946	69	66.55917
4	103.3842	37	87.06402	70	65.85522
5	102.9681	38	86.48479	71	65.14804
6	102.5483	39	85.90113	72	64.43664
7	102.1253	40	85.31344	73	63.72097
8	101.697	41	84.7213	74	63.00102
9	101.265	42	84.1251	75	62.27777
10	100.8297	43	83.52504	76	61.55026
11	100.3891	44	82.92047	77	60.81942
12	99.94481	45	82.31181	78	60.08428
13	99.49715	46	81.69924	79	59.34479
14	99.04614	47	81.08212	80	58.60194
15	98.58557	48	80.46086	81	57.85475
16	98.12075	49	79.83565	82	57.10317
17	97.64631	50	79.20648	83	56.34818
18	97.16756	51	78.57436	84	55.58882
19	96.68536	52	77.93825	85	54.82501
20	96.19348	53	77.29916	86	54.05676
21	95.69724	54	76.65607	87	53.28713
22	95.19748	55	76.00894	88	52.51331
23	94.68797	56	75.3588	89	51.73808
24	94.17405	57	74.70462	90	50.95865
25	93.65655	58	74.04636	91	50.17471
26	93.13545	59	73.38505	92	49.91
27	92.60781	60	72.71966	93	49.91
28	92.07605	61	72.05016	94	49.91
29	91.53771	62	71.37654	95	49.91
30	90.99523	63	70.6998	96	49.91
31	90.44907	64	70.01894		
32	89.89626	65	69.33493		

EXHIBIT A
PURSUANT TO LEASE AGREEMENT

CERTIFICATE OF ACCEPTANCE OF
RAILROAD CARS

Garnet of Maryland

This Certificate relates to the railroad cars listed below leased by Rail Trusts Equipment, Inc. to ~~Waste Management, Inc.~~ under Schedule No. 3, to a Lease Agreement dated as of October 22, 2007 (the "Agreement"), into which this Certificate is incorporated.

DESCRIPTION OF CARS: 8700 Cubic Foot Gondola Railcar

QUANTITY OF CARS: 10

CAR NUMBERS: USWX 8164, 8165, 8166, 8167, 8168, 8169, 8170, 8172, 8173, 8174

Lessee hereby certifies the fitness and suitability and its unconditional acceptance of the railroad cars listed herein as of the date each Car is tendered to Lessee and hereby subjects said railroad cars to the Agreement.

Lessee hereby certifies that the representations and warranties of Lessee contained in the Agreement are true and correct as of the date below written and that no Event of Default exists or with the passage of time would exist with regard to the Agreement.

Lessee hereby certifies that the undersigned officer signing on behalf of Lessee is duly authorized to execute and deliver this Certificate.

LESSEE:

Garnet of Maryland, Inc.

BY: 

NAME: H. Lee Muller

TITLE: Group Procurement Director

DATE: March 06, 2008

EXHIBIT A
PURSUANT TO LEASE AGREEMENT
CERTIFICATE OF ACCEPTANCE OF
RAILROAD CARS

~~Garnet of Maryland, Inc.~~ This Certificate relates to the railroad cars listed below leased by Rail Trusts Equipment, Inc. to ~~Waste Management, Inc.~~ under Schedule No. 3, to a Lease Agreement dated as of October 22, 2007 (the "Agreement"), into which this Certificate is incorporated.

DESCRIPTION OF CARS: 8700 Cubic Foot Gondola Railcar

QUANTITY OF CARS: 12

CAR NUMBERS: USWX 8134, 8136, 8138, 8139, 8152, 8153, 8154, 8156, 8157
8158, 8161, 8162

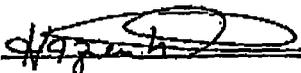
Lessee hereby certifies the fitness and suitability and its unconditional acceptance of the railroad cars listed herein as of the date each Car is tendered to Lessee and hereby subjects said railroad cars to the Agreement.

Lessee hereby certifies that the representations and warranties of Lessee contained in the Agreement are true and correct as of the date below written and that no Event of Default exists or with the passage of time would exist with regard to the Agreement.

Lessee hereby certifies that the undersigned officer signing on behalf of Lessee is duly authorized to execute and deliver this Certificate.

LESSEE:

Garnet of Maryland, Inc.

BY: 

NAME: H. Lee Muller

TITLE: Group Procurement Director

DATE: March 03, 2008

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 3/21/08



Robert W. Alvord