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RECORDATION NO. _____ Filed & Recorded

MAR 29 1973 -9 40 AM

RAILROAD EQUIPMENT LEASE

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT AND LEASE dated as of the 15th day of December, 1972, by and between THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, hereinafter called "P&LE", and GREAT LAKES CARBON CORPORATION, hereinafter called "Great Lakes".

W I T N E S S E T H:

1. Lease of Cars. P&LE agrees to lease to Great Lakes and Great Lakes agrees and does hereby lease from P&LE (44) - 70-ton hopper cars (any one of said cars hereinafter referred to as "Car" and more than one or all of which are hereinafter referred to as "Cars"), bearing numbers as set forth on Exhibit A, attached hereto and made a part hereof. The lease shall become effective as to any Car immediately upon its delivery pursuant to paragraph 2 hereof.

2. Delivery of Cars. P&LE shall deliver the Cars as promptly as is reasonably possible from time to time as agreed to by the parties. Delivery of any Car to Great Lakes shall be effective upon the date when such Car has been accepted in interchange by a railroad having a connection with P&LE at such point as is agreeable to Great Lakes.

3. Condition of Cars - Acceptance. All Cars delivered hereunder shall be in satisfactory condition for movement in normal interchange service, but Great Lakes shall be solely responsible for determining that the Cars are in acceptable condition. It is understood that Great Lakes will inspect all of the Cars on the lines of P&LE prior to delivery of said Cars and Great Lakes shall issue and deliver to P&LE with respect to all Cars which are accepted a Certificate of Acceptance in the form and text attached hereto as Exhibit B. All Cars which have been accepted by Great Lakes shall be transported by P&LE without cost to Great Lakes to the point of delivery as provided in paragraph 2.

4. Use and Possession. During the term of this lease, so long as Great Lakes is not in default of the provisions hereunder, Great Lakes shall be entitled to possession of each Car from the date the lease becomes effective as to such Car, and the same may be used upon private property or the lines of any railroad in normal interchange service and for the uses for which it was designed. The Cars may be used in the United States of America, Canada, or within the territorial boundaries of Mexico, provided, however, that Great Lakes agrees to reimburse the P&LE at the rate of 110% of the Interstate Commerce Commission depreciated value for any Cars which are seized and held in Mexico for a period of sixty (60) days or more, whereupon said

Cars shall no longer be subject to this Agreement and Lease but shall become the property of Great Lakes.

5. Term. This lease shall be for an initial term which shall commence on the date of delivery by P&LE of the first Car as provided in paragraph 2 hereof and shall terminate on January 31, 1974. If Great Lakes has fully performed all of its obligations under this Agreement and Lease, this lease shall automatically continue for three (3) additional terms of one (1) year each thereafter unless terminated earlier by P&LE on account of default on the part of Great Lakes. During any additional term or terms, all of the provisions and conditions of this Agreement and Lease shall continue in effect.

6. Option to Purchase. Great Lakes shall have the right and option, on any anniversary date of this Agreement and Lease, to purchase any or all of the Cars at the Interstate Commerce Commission depreciated value of the Car or Cars at such time.

7. Rental. As rental for the use of each Car, Great Lakes shall pay P&LE for each day of such use from the date of delivery thereof in accordance with the provisions of paragraph 2 hereof, an amount equal to the prevailing Daily Time Charge prescribed by the Interstate Commerce Commission for railroad freight cars of the same value and age as the Cars leased

hereunder. Great Lakes shall make monthly payments of the aforesaid rental to P&LE within fifteen (15) days from the end of each month. In the event that during the term of this Agreement and Lease the prescribed Daily Time Charge applicable to the Cars leased hereunder shall be revised in any respect, the rental hereunder shall be increased or decreased accordingly as of the effective date of such revision.

8. Title. Great Lakes shall not by reason of this Agreement and Lease or any action taken hereunder acquire or have any right or title in and to the Cars except as to the rights herein expressly granted to it as lessee.

9. Maintenance. During the continuance of this lease, Great Lakes shall promptly and with due diligence keep and maintain the Cars in good working order and repair (ordinary wear and tear excepted), and make all replacements, changes or additions to the Cars or their equipment and appliances to the extent necessary or required from time to time by (a) the Interchange Rules of the Association of American Railroads and (b) applicable laws and regulations of any Federal, State or other governmental body or department. Except as provided in paragraph 16 hereinafter with respect to the loss or destruction of Cars, all of the foregoing maintenance shall be provided at the sole cost and expense of Great Lakes and without any reduction or abatement in rent or other loss, cost or expense to P&LE.

10. Additions to Cars. Any parts, replacements or additions made to any Car shall be accessions to such Car and title thereto shall be immediately vested in P&LE without cost or expense to P&LE.

11. Taxes. Great Lakes shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes, levied or assessed during the continuance of this lease upon the Cars or the interest of Great Lakes therein, whether or not upon the use or operation thereof or the earnings derived therefrom. If any levy or assessment is made against P&LE on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of P&LE therefrom, Great Lakes will promptly pay or reimburse P&LE for the same except that Great Lakes shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings protest the validity or amount of such levy or assessment.

12. Prohibition Against Liens. Great Lakes shall pay or set aside and discharge any and all sums claimed by any party by, through or under Great Lakes and its successors and assigns which, if unpaid, might become a lien or a charge upon the Cars. Great Lakes shall not be required, however, to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title in and to the Cars.

13. Identification of Cars. At all times during the continuance of this lease, Great Lakes will cause each Car to bear the number assigned to it and appearing thereon as of the date of its delivery. Upon acceptance of any Car, Great Lakes shall have the right, during the continuance of this lease, to replace the P&LE markings thereon with Great Lakes markings. With respect to each Car upon which reporting markings are so changed, Great Lakes shall plainly, distinctly and conspicuously stencil on each side of such Cars, in letters not less than three-quarter inch (3/4") in height, the following legend:

"THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, LESSOR"

Upon termination of this lease for any reason, Great Lakes shall restore P&LE markings to all Cars prior to their redelivery to P&LE. All changes in markings made upon the Cars as provided herein shall be performed at the sole cost and expense of Great Lakes.

14. Maintenance of Trust Information. On pages two and three of Exhibit A are listed a total of 19 Cars which are included in groups of equipment acquired under the terms of various equipment trust agreements and leases. Great Lakes shall maintain on each of such Cars the assigned trust numbers and metal plates or other markings indicating ownership by a trustee bank, according to the terms of any applicable equipment trust agreements and leases.

15. Indemnity. Great Lakes hereby agrees to indemnify, defend and save P&LE harmless from and against all expenses, damages, claims, actions or liabilities based upon personal injuries, death or property damage arising out of or in connection with the condition, operation or use of all or any of the Cars from and after their delivery to Great Lakes until their re-delivery to P&LE, whether or not due to the negligence, in whole or in part, of P&LE, Great Lakes, or of P&LE and Great Lakes.

16. Loss or Destruction of Cars. Except as provided in paragraph 4 hereof, in the event that any Car shall be lost, destroyed or irreparably damaged beyond economic repair from any cause whatsoever at any time during the term of this lease, Great Lakes shall be relieved of its obligation to pay rentals in respect of such Car from the date of such occurrence. Great Lakes shall forthwith advise P&LE of such occurrences and shall make prompt settlement for each such Car by payment in cash to P&LE of a sum calculated, as of the date of said loss, destruction or damage, in accordance with the prevailing rules applicable thereto in the Field Manual of the Interchange Rules prescribed by the Association of American Railroads, plus any unpaid rental and charges as herein provided to such date. Upon payment of such settlement this Agreement and Lease shall terminate as to such Car as of said date and Great Lakes shall be entitled to salvage, if any.

17. Redelivery of Cars. Upon termination of this lease with respect to any Car (other than pursuant to paragraph 16 hereinabove), Great Lakes shall at its sole cost and expense immediately surrender possession of such Car by causing delivery of the same to be made to P&LE at the nearest point or points on the lines of P&LE where cars are normally interchanged with connecting railroads. Great Lakes shall return all Cars to P&LE in as good condition (ordinary wear and tear excepted) as when the same were accepted by Great Lakes and in furtherance of this obligation, Great Lakes and P&LE shall perform a joint inspection of all Cars prior to redelivery, each party to assume the expense of its own inspection. Such repairs as may be determined by said joint inspection to be required to place the Cars in as good condition (ordinary wear and tear excepted) as when accepted under this lease will be performed by Great Lakes at its sole expense prior to redelivery to P&LE. Until such time as each Car has been redelivered to P&LE, Great Lakes shall continue to pay rental at the rate being paid immediately prior to termination of this lease and Great Lakes shall make all other payments and perform all obligations and requirements of Great Lakes under all provisions of this lease as though such termination had not occurred.

18. Default. The term "event of default" for the purpose hereof shall mean any one or more of the following:

- (a) Non-payment by Great Lakes within ten (10) days after written notice to Great Lakes from

P&LE of default in payment of rental or any other sum required to be paid hereunder by Great Lakes;

- (b) Great Lakes shall default or fail for a period of thirty (30) days in the observance or performance of any agreement required to be observed or performed on its part under this Agreement and Lease, except as referred to in the foregoing clause (a), and said default or failure shall continue for a period of thirty (30) days after the giving of written notice thereof by P&LE;
- (c) A decree or order shall be entered by a court having jurisdiction in the premises adjudging Great Lakes a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization under the Federal Bankruptcy Act or any other applicable Federal or State law;
- (d) The institution by Great Lakes of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceeding or to any action taken or proposed to be taken in any proceeding described hereinabove in clause (c), or the making by Great

Lakes of a general assignment for the benefit of creditors.

19. Remedies. P&LE shall have the right in the event of default by Great Lakes to terminate this Agreement and Lease immediately by giving notice to Great Lakes, and P&LE may without any notice of demand take or cause to be taken immediate possession of the Cars and sell or otherwise dispose of the same, provided, however, that such retaking shall not be deemed a waiver of P&LE's right to receive payment of all sums payable by Great Lakes to P&LE under this Agreement and Lease or any other rights or remedies conferred upon P&LE under applicable laws.

20. Recording. Immediately upon execution, P&LE shall cause this Agreement and Lease to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act, and Great Lakes shall reimburse P&LE the amount of fees for said recordation.

21. Sublease and Assignment. Great Lakes shall not assign or sublease this lease or any of the Cars without the prior written consent of P&LE. P&LE may assign and reassign all or part of its rights under this lease, including the rent to be paid, without the consent of Great Lakes if said assignment or reassignment does not diminish, interfere or prejudice the right of Great Lakes under this lease, and P&LE shall give to Great Lakes notice of any such assignment or reassignment.

22. Successors and Assigns. The covenants, conditions and agreements contained in this Agreement and Lease shall bind and inure to the benefit of the parties, their successors and assigns (to the extent permitted in paragraph 21 hereof).

23. Governing Laws - Amendments. The terms of this Agreement and Lease and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania. The terms of this Agreement and Lease and the right and obligations of the parties hereto may not be amended or terminated orally, but only by agreement in writing by the party against whom the enforcement of such amendment or termination is sought.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Lease to be executed by their duly authorized officers as of the day and year first above written.

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY

WITNESS:

R. E. Donley

By

W. S. Alby

GREAT LAKES CARBON CORPORATION

WITNESS:

A. Heerman

By

S. R. Hunter

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF ALLEGHENY)

ss:

On this 22nd day of March, 1973, before me, the undersigned Notary Public, personally appeared H. G. ALLYN, Jr., who, being by me duly sworn, acknowledged that he is President of The Pittsburgh and Lake Erie Railroad Company; that he executed the foregoing instrument for and on behalf of said corporation and that the execution of the foregoing instrument was the free act and deed of said corporation.

Donna R. Smozer

Notary Public

My commission expires Feb. 3, 1976

DONNA R. SMOZER, Notary Public
Pittsburgh, Allegheny Co., Pa.
My Commission Expires
February 3, 1976

STATE OF NEW YORK)
) SS:
COUNTY OF WESTCHESTER)

On this 6th day of March, 1973, before me,
the undersigned Notary Public, personally appeared
L. R. Bunter, who, being by me duly sworn,
acknowledged that he is Director of Transportation of Great
Lakes Carbon Corporation; that he executed the foregoing instru-
ment for and on behalf of said corporation and that the execution
of the foregoing instrument was the free act and deed of said
corporation.

Paul J. Smith
Notary Public

My commission expires _____
PAUL J. SMITH
Notary Public, State of New York
No. ~~60-9079770~~ Qual. in West Co.
Certificate filed in New York County
Commission Expires March 30, 1974

CARS NOT UNDER TRUSTS

68375	69880
68400	69891
68522	70014
68531	70068
68649	70249
68762	70415
69021	70418
69302	70468
69372	70615
69386	70692
69639	70783
69649	72012
69832	

PITTSBURGH AND LAKE ERIE RAILROAD SECOND
EQUIPMENT TRUST OF 1958, DATED MAY 15, 1958

Rec. No. 1439

70807

71141

71190

71213

71261

72055

PITTSBURGH AND LAKE ERIE RAILROAD THIRD
EQUIPMENT TRUST OF 1958, DATED OCTOBER 15, 1958

Rec. No. 1484

71606

71796

71817

71938

PITTSBURGH AND LAKE ERIE RAILROAD EQUIPMENT
TRUST OF 1959, DATED MAY 1, 1959

72222

Rec. No. 1586

PITTSBURGH AND LAKE ERIE RAILROAD SECOND
EQUIPMENT TRUST OF 1959, DATED AS OF SEPTEMBER 15, 1959

72554

72820

72978

Rec. No. 1655

PITTSBURGH AND LAKE ERIE RAILROAD EQUIPMENT
TRUST OF 1960, DATED AS OF OCTOBER 1, 1960

73240

73277

73467

73591

73947

Rec. No. 1877

CERTIFICATE OF ACCEPTANCE

To: The Pittsburgh and Lake Erie Railroad Company
Pittsburgh and Lake Erie Terminal Building
Pittsburgh, Pennsylvania 15219

I, a duly authorized inspector of Great Lakes Carbon Company, for the purposes of the Agreement and Lease covering 44 - 70-ton hopper cars to be entered into between our company and The Pittsburgh and Lake Erie Railroad Company, do hereby certify that the following units of railroad equipment have been accepted as inspected on several dates on the P&LE track at Newell, Pa.

I do further certify that the foregoing equipment is in condition satisfactory to Great Lakes and is acceptable under the terms of the Lease.

Authorized Inspector

Dated: _____